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Revenue design sets bankability: a Japanese megabank non-recourse refinancing closes, China's capacity payment covers little, Korea's third round faces cost pressure

This week's clearest financing signal came from Japan, where a megabank refinanced a solar co-located battery on a non-recourse basis and a corporate green syndicated loan backs storage development. China and Korea showed revenue-side uncertainty: capacity payments contribute little to payback in China, and in Korea's third round cell costs are rising while price counts for only 50% of the score.

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KEY JUDGEMENTS

Conclusions

1. **Japan: bank funding is reaching batteries.** MUFG Bank arranged a ¥21.4bn non-recourse refinancing for Sonnedix Japan's first battery (125 MWh in Oita, beside a 39 MW solar plant), with Osaka Gas handling market trading and operation after start-up. RENOVA signed a ¥10.34bn, 7-year green syndicated loan with Mizuho, SMBC and MUFG that can fund storage development. Pricing, tenor details or the storage share were not publicly disclosed. View: a large gas utility running trading plus megabank non-recourse debt is a reference structure for the bankability of co-located batteries in Japan.[11,12]
2. **China: higher targets, but capacity payments give debt little support.** The 15th Five-Year new-type storage plan targets 300 GW and about 3 hours average duration by 2030, shifting from scale-driven to market-driven growth. China Electric Power News reported an industry estimate that, under the Document 114 mechanism, capacity payments for a typical 4-hour plant cover only about 20% of the return needed for payback, with many projects earning 3%–4%. View: lenders still have to rely on spot spreads (about CNY 0.2/kWh) and ancillary-service assumptions to size debt.[17,14]
3. **Korea: a bigger third round, with rising cell costs squeezing bids.** Korea's third ESS central contract round is 1,180 MW (about 7.08 GWh), more than the first two rounds' combined 1,128 MW; KPX will name preferred bidders this month. LG Energy Solution is not taking part, and Samsung SDI's and SK On's cell prices are reportedly about 30% above round two, where average winning prices had already fallen to the 20-won-per-kWh range. View: with price worth 50 points, consortium returns may come under pressure. Korean cell capacity is also being pulled overseas: Samsung SDI signed a 16 GWh US LFP deal, and SK On will bid in Taipower's 1.2 GWh tender.[13,16,1]
4. **Australia: a revenue underwriting does not remove permitting risk.** The CIS-underwritten Bendemeer solar hybrid with a 150 MW/300 MWh battery was referred to the NSW IPC after more than 50 objections, with a public hearing next month. AGL's Abermain (125 MW/up to 500 MWh) was cleared as a 'not controlled action' under the EPBC Act and already holds state approval. EDF Australia bought Holloway (250 MW, up to 4 hours), targeting FID at end-2027 and operation in 2029. View: lender due diligence should weigh approval timelines alongside CIS contract terms.[15,7,5]
5. **Global: long-term contracts still anchor deals, but regulatory and supplier-credit risks rise.** Brazil's two 15-year battery capacity reserve auctions (2 and 4 Dec) face a possible court suspension; Vietnam set a 2026 ceiling of VND 3,209.98/kWh for standalone grid storage, with actual tariffs still negotiated bilaterally; India is weighing extending battery domestic-content rules to unsubsidised projects; ESS Tech filed for Chapter 7 liquidation. View: project finance has to assess both the legal stability of contracts and the financial strength of equipment suppliers.[3,9,4,10]

KEY NUMBERS

This week in numbers

Japan non-recourse refinancing

¥21.4bn

MUFG / Sonnedix Oita 125 MWh

RENOVA green syndicated loan

¥10.34bn

7-year tenor, three megabanks

Korea third-round size

1,180 MW

about 7.08 GWh; cell prices reportedly ~30% higher

China capacity-payment coverage

~20%

industry estimate, share of payback return for a 4-hour plant

China 2030 new-type storage target

300 GW

average duration about 3 hours

Taipower storage tender

1.2 GWh

bids in December, results around March

TIMELINE

What happened

Date	Market	Event	Why it matters for finance
11/16	CN	NDRC and NEA issue 15th Five-Year new-type storage plan[17]	300 GW by 2030; shift to market-based growth
11/17	JP	Sonnedix's 125 MWh Oita battery starts; MUFG arranges ¥21.4bn non-recourse refinancing[11]	Precedent for non-recourse debt on co-located storage
11/17	JP	RENOVA signs ¥10.34bn 7-year green syndicated loan[12]	Corporate-level funding for storage development
11/17	KR	Third ESS central contract round (1,180 MW) to name preferred bidders this month[13]	Rising cell costs pressure bids
11/17	AU	Bendemeer solar-storage hybrid referred to NSW IPC[15]	Even CIS projects face approval delays
11/18	CN	Gansu 300 MW artificial-cavern compressed-air plant connects to grid[8]	Widens siting options for compressed air
11/18	AU	AGL's Abermain cleared as 'not controlled action' under EPBC[7]	Lower permitting risk
11/19	AU	EDF Australia acquires 250 MW Holloway battery[5]	Utility takes over an early-stage project
11/20	TW	SK On to bid in Taipower's 1.2 GWh tender in December[1]	Non-Chinese supply chain enters Taipower tender
11/20	JP	Sustainable Holdings discloses 16 grid-scale battery projects[2]	Grid-connection pipeline for 2027–2030

JAPAN

Megabank funding reaches storage: non-recourse refinancing and a green syndicated loan

VERIFIED FACTS

- Sonnedix Japan's 125 MWh battery in Oita, beside a 39 MW solar plant, is operating; Toshiba was EPC, Tesla supplied Megapacks and Osaka Gas runs trading and operation; MUFG arranged a ¥21.4bn non-recourse refinancing, with tenor and pricing not publicly disclosed.

- RENOVA signed a ¥10.34bn green syndicated loan with Mizuho, SMBC and MUFG: 7-year tenor, drawable in tranches over the first 3 years, for solar, onshore wind and storage development; JCR gave the second-party opinion.
- Sustainable Holdings is advancing 16 grid-scale battery projects in the Tokyo, Chugoku, Chubu and Kyushu areas, targeting grid connection from Sep 2027 to Apr 2030, with 7 more planned in Kansai; MW/MWh and financing were not publicly disclosed.

ANALYSIS

- View: Japan now shows two funding routes, project-level non-recourse and corporate syndicated loans; the credit and capability of the trading operator will be central to how lenders value merchant revenue.

AUSTRALIA

Permitting splits: an IPC referral, an EPBC clearance and a utility acquisition

VERIFIED FACTS

- Bendemeer solar (255 MW DC) with a 150 MW/300 MWh battery won a CIS underwriting in Oct 2025 and was referred to the NSW IPC after more than 50 objections; a public hearing is due next month.
- AGL's Abermain in Queensland (125 MW/up to 500 MWh) was cleared as a 'not controlled action' under the EPBC Act and has held state approval since late 2023; COD and financing were not publicly disclosed.
- EDF Australia bought Holloway (250 MW, up to 4 hours) in the New England REZ from SynCo Global, targeting FID at end-2027 and operation in 2029; the price was not publicly disclosed.

ANALYSIS

- View: a CIS contract lowers revenue risk but does not remove approval or COD delay risk; lenders should build buffers into financial-close timelines.

SOUTH KOREA

Third central contract round: record size, rising cell costs

VERIFIED FACTS

- Round three is 1,180 MW (about 7.08 GWh) with about ₩2tn of project cost, scored 50 points on price and 50 on non-price factors; about 60 consortia bid and KPX will name preferred bidders this month.

- LG Energy Solution is not participating; Samsung SDI's and SK On's cell prices are reportedly about 30% above round two; their combined spare capacity is about 8 GWh.
- LG Energy Solution and Samsung SDI are exhibiting at RE+ 2026 in the US, including LFP grid ESS products; orders and prices were not publicly disclosed.

ANALYSIS

- View: with cell costs rising and price worth only 50 points, whether winning prices recover will directly shape project returns and sustainable debt.

CHINA

A 300 GW 2030 target alongside thin capacity-payment coverage

VERIFIED FACTS

- 15th Five-Year plan: 300 GW and about 3 hours average duration by 2030; 136 GW/351 GWh was operating at end-2025, averaging 2.58 hours.
- 35.30 GW/102.31 GWh was commissioned in the first three quarters of 2026; standalone grid-side storage was 85.3% of new power capacity in September.
- Industry estimate: under Document 114, capacity payments for a typical 4-hour plant cover about 20% of the return needed for payback, many projects earn 3%–4%, and spot spreads are about CNY 0.2/kWh.
- Gansu's 300 MW artificial-cavern compressed-air plant 'Yuanchu No. 1' connected to the grid on 16 Nov; MWh, owner and investment were not publicly disclosed.

ANALYSIS

- View: capacity payments add some predictable income but support little debt; until provincial pricing rules arrive, lenders will keep spot and ancillary-service assumptions at the core.

TAIWAN

Taipower's 1.2 GWh tender draws a Korean-led team

VERIFIED FACTS

- SK On will bid in December for Taipower's 1.2 GWh storage tender, with results expected around March; SK On supplies LFP packs, Seetel builds and certifies systems, GE Vernova supplies PCS; project value and tender prices were not publicly disclosed.

- Citing DIGITIMES, the report says Taiwan's storage market will grow from about 1.9 GW in 2025 to 7–8 GW in 2030.

ANALYSIS

- View: the price competitiveness of a non-Chinese supply chain is the point to watch in this tender.

PHILIPPINES

Island solar-plus-storage cooperation; GEA inclusion awaits detail

VERIFIED FACTS

- The Philippines, Vietnam and Indonesia launched island solar-plus-storage cooperation on 10 Nov; the DOE plans to include island electrification in the Green Energy Auction (GEA), with rounds and capacity not yet set; funding was not publicly disclosed.
- Pilot: a 30 kW solar-storage system on Cobrador Island cut generation cost from $0.47 to $0.24 per kWh.

ANALYSIS

- View: if island projects enter the GEA, auction-priced long-term revenue would be easier to finance than diesel subsidies, but the terms are not yet published.

SINGAPORE

No verifiable news this week

VERIFIED FACTS

- This week's briefs contain no Singapore item.

GLOBAL

Long-term contracts, local-content rules and supplier credit

VERIFIED FACTS

- Brazil: two 15-year battery capacity reserve auctions on 2 and 4 Dec face a possible suspension; ceilings are R$1.76m and R$1.58m per MW per year, and bid bonds are due by 23 Nov.

- Vietnam: MOIT set a 2026 ceiling of VND 3,209.98/kWh (about $0.125) for standalone grid storage; actual tariffs are negotiated bilaterally.
- India: the 10 GWh grid-scale cell PLI tender drew 22 bids; the power ministry is weighing extending battery domestic-content rules to unsubsidised projects, with comments due 25 Nov.
- US: Samsung SDI America signed a 16 GWh LFP supply deal with Jupiter Power over 3 years from 2029; EQT is acquiring Flatiron Energy (24 GWh portfolio); Masdar completed the $950m Lockhart solar-storage complex; ESS Tech filed for Chapter 7 liquidation.

ANALYSIS

- View: Brazil and Vietnam show long-term contract frameworks remain the basis of financing, but their legal stability and negotiated terms need case-by-case checks; ESS Tech's exit means warranties and long-term service commitments require a look at supplier finances.

COMING UP

Calendar

Date	Market	Item
11/23	GL	Brazil battery capacity auction bid-bond deadline
11/25	GL	India battery domestic-content guideline comments due
11月	KR	KPX names third-round ESS preferred bidders and prices
12/02	GL	Brazil's first battery capacity reserve auction (with local content), subject to the lawsuit
12/04	GL	Brazil's second battery capacity reserve auction (no local content)
12月	TW	Bidding in Taipower's 1.2 GWh storage tender
12月	AU	NSW IPC public hearing on Bendemeer

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