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## Edify and Sosteneo partner to deliver the A\$400m Koorangie Energy Storage System

**Sydney, Australia:** Leading Australian renewable energy company, Edify Energy (**Edify**) has partnered with Sosteneo SGR Spa (**Sosteneo**), a specialist infrastructure investor focused on the energy transition.

Edify and Sosteneo are excited to announce the partnership and the successful completion of project financing to build and operate the Koorangie Energy Storage System (**KESS**).

The 185MW / 370MWh battery storage system will be built in the Murray River region, near the renewable energy rich area of Kerang, Victoria.

The financing deal:

- Represents the first transaction in Australia for Sosteneo, which acquires 100% ownership on behalf of clients;
- Brings together CBA, DNB and BNP Paribas in the provision of a long-term syndicated debt facility;
- Includes a 20-year System Support Agreement with the Australian Energy Market Operator (**AEMO**) for the provision of system strength;
- Is supported by a 15-year term offtake agreement with Shell Energy for the full 185MW / 370MWh;
- Supports the development of regional Victoria through the creation of jobs, economic injection in the community, and upskilling in the local area;
- Helps secure the future stability of renewable energy in the Murray River Renewable Energy Zone (REZ);
- Will facilitate a new terminal station between Wemen and Kerang; and
- Is capable of powering 350,000 homes for 2 hours.

Developed and structured by Edify, the energy storage system will utilise Tesla Megapacks, equipped with grid forming inverters that operate in 'Virtual Machine Mode'. This will allow the storage system to operate in a manner akin to a conventional generator and provide crucial system strength services to increase the renewable hosting capacity of the Murray River REZ, helping to facilitate additional clean energy generation in the region.

*Quote: Edify Energy, John Cole, Founder and CEO*

"Edify continues its march forward, developing, financing and operationalising new energy assets to increase renewable penetration and power system stability as well as delivering affordable, reliable and dispatchable clean electricity.

We welcome Sosteneo as our equity partner and their faith in us. Edify delivers, and we look forward to bringing our third and largest BESS to market in short order. Our ecosystem of trusted partners is maturing and deepening with KESS. We are delighted to be delivering a ground breaking project with partners and stakeholders we have worked with on other assets including, Tesla, Shell Energy, Consolidated Power Projects, CBA, BNP Paribas, DNB, Gannawarra Shire Council, the Victorian Government and AEMO. Strong relationships are a cornerstone to the Edify team and are critical for an accelerated energy transition.

We love the fantasticness of KESS; it's ability to provide system strength services to AEMO while not compromising on its ability to perform in the energy market for the benefit of Victorian electricity consumers and providing a path to a 100% renewable electricity future."



KESS is the first investment in Australia for fund manager Sosteneo following its launch in September 2023. Sosteneo was established by clean energy executives with significant experience in the Australian renewables market, with the local team including former ARENA CEO, Ivor Frischknecht, and Nick Renshaw, formerly at Natixis. The new investment further expands Sosteneo's clean energy portfolio and delivers on its strategy of investing in greenfield infrastructure projects that produce or enable clean energy use and accelerate the transition to net zero.

*Quote: Sosteneo, Ivor Frischknecht, Managing Partner and CIO Asia Pacific*

"In an Australian first, the KESS battery project is providing inverter-based grid-forming services under a 20-year contract with AEMO. Sosteneo is delighted to be working with Edify to deliver this project and grow our clean energy portfolio spanning Australia, New Zealand and Europe. With revenues secured through long-term agreements with Shell Energy and AEMO, the KESS project is well-aligned with our objective of delivering stable commercial returns to clients whilst making an active contribution to the decarbonisation of the energy system. We are proud to help deliver renewable energy projects that support Australia's energy transition and create opportunities in regional Victoria."

*Quote: Shell Energy, David Guiver, Vice President Shell Energy Australia (Trading & Supply),*

"Koorangie will form an important part of Shell Energy's growing battery portfolio, helping us support a more resilient power system in Victoria and optimise supply and costs for our customers in a transitioning energy market."

*Quote: DNB, Omar Sekkat, Senior Vice President for Energy, APAC*

"DNB aims to be a driving force for sustainable transition and is proud to have partnered with Edify and Sosteneo in bringing this project to life."

*Quote: Commonwealth Bank, Deborah Leerhsen, Executive General Manager of Global Institutional Banking Coverage*

"As Australia transitions to greener, renewable power sources, large-scale storage will expedite and enable the transition. We are thrilled to support Edify and Sosteneo to build the Koorangie Energy Storage System in North West Victoria.

The battery will facilitate the clean energy expansion in the Murray River Renewable Energy Zone while ensuring system strength, improving network stability and helping advance our critical infrastructure towards a net zero future. Edify's ground-breaking contract with AEMO also marks a new milestone for battery developers, demonstrating that storage system operators can secure an additional income stream for providing system strength to the grid."

*Quote: BNP Paribas Australia and New Zealand, Karine Delvallée, CEO*

"BNP Paribas has had a continuous presence in Australia for more than 140 years and we have supported the Australian economy throughout this period. We are leveraging our global experience and local expertise in financing renewable and storage energy projects and are pleased to support this new technology, which will play an important role in the decarbonisation of the Australian economy."

The Victorian Government is supporting the KESS project with funding of \$119 million to AEMO as part of a program to strengthen the grid so it can host the new renewable generation Victoria needs to secure its energy future and tackle climate change.

The project is part of a \$480 million investment the Victorian Government is making through its Renewable Energy Zone Fund in 12 projects to address capacity constraints and strengthen and modernise the state's grid.



The project will also contribute to Victoria's drive to meet legislated energy storage targets of at least 2.6 GW of storage capacity by 2030 and 6.3 GW by 2035.

KESS is to be built on the traditional lands of the Barapa Barapa, Wamba Wamba and Yorta Yorta peoples. [peopledrurenga@areanews.com.au](mailto:peopledrurenga@areanews.com.au), within the Gannawarra Shire.

To read more about the Koorangie Energy Storage System head to the [project page](#)

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### About Edify

Edify is a proudly 100% Australian owned renewable energy and storage company, leading the industry in the deployment and operation of new energy generation, storage and grid infrastructure to support Australia's energy transition.

Delivering more than \$1.9 billion of investment in Australia, Edify has successfully overseen the development, structuring, financing and construction of 773MWp of utility scale solar projects producing enough electricity to power over 281,000 Australian homes. In addition, Edify has designed and delivered 360MW / 720MWh of battery energy storage, providing system strength to the grid and capable of powering 330,000 homes for up to 2 hours.

Edify is continuing to develop a large portfolio of renewable energy, storage and hydrogen projects and is committed to creating and delivering innovative clean green energy solutions.

Edify is involved in the full lifecycle of renewable energy and storage projects, including greenfield development, project structuring and financing, construction management and long-term operational asset management.

Edify ensures its interests are as closely aligned with project stakeholders as possible. In addition to providing asset management services, Edify maintains an equity interest in its projects, making certain that Edify's long-term project view is aligned with that of other stakeholders, resulting in best-in-class assets.

[www.edifyenergy.com](http://www.edifyenergy.com)

### About Sosteneo

Sosteneo is an investment manager that specialises in greenfield infrastructure projects related to the energy transition with the aim of providing an attractive long-term commercial return to clients whilst making an active contribution to the decarbonisation of the global energy system.

Sosteneo invests in a wide range of technologies, spanning clean energy production (such as solar PV and wind), clean energy enablers (such as battery storage and networks), as well as industry decarbonisation projects. The Sosteneo team brings together a wealth of investment management expertise, complemented by a practical, hands-on background in the energy sector.

Sosteneo operates in Europe and Asia Pacific. It is part of the Generali Investments ecosystem of asset management firms.

For further information, visit [sosteneo.com](http://sosteneo.com)