Press release

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Axpo and Zelestra join forces for BESS project to strengthen Italy's power system

Axpo has signed a long-term tolling agreement with Zelestra, a global, multi-technology renewable energy company, for its planned 207 MW battery energy storage system (BESS) project in northern Italy.

In brief:

- Axpo signs long-term tolling agreement for Zelestra’s planned 207 MW battery energy storage project in northern Italy.
- Ten-year contract supports deployment of utility-scale 830 MWh energy storage, providing flexibility to Italy's evolving electricity system.
- Construction of plant is expected to commence in 2027, with commercial operations scheduled for 2028.

The 10-year physical tolling agreement marks another important milestone in the development of utility-scale battery storage in Italy. Increasingly, such long-term commercial partnerships are playing a key role in enabling investments that strengthen power grid flexibility while also supporting the resilience of Italy’s electricity transmission system and the country’s energy transition.

The project, built, owned and operated by Zelestra, will provide approximately 830 MWh of energy storage capacity. Located in Friuli-Venezia Giulia, in northeastern Italy, the BESS will support the growing adoption of renewable energy in one of Italy's most heavily industrialised regions.

Under the agreement, Axpo will provide optimisation services to enable the BESS to smoothly integrate increasing volumes of renewably generated electricity while also delivering flexibility services to the Italian electricity grid. The agreement’s structure will also provide long-term revenue visibility for Zelestra.

Construction is expected to start in 2027, with commercial operation planned for 2028.

Axpo Italia’s Head of Origination and Structured Products, Simone Rodolfi, said: "Flexible generation is a cornerstone of Italy's energy transition. As renewable energy capacity grows, solutions like battery energy storage systems are essential to ensure grid stability and maximise the value of clean power generation. This is our first BESS agreement in Italy and we’re proud to partner with Zelestra. Our landmark partnership demonstrates

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Axpo's commitment to innovative energy solutions and strengthens our position in the Italian market as a trusted partner for origination and risk management. The agreement has the potential to open new opportunities in the rapidly growing storage sector."

Zelestra Italy CEO Eliano Russo added: “Our agreement with Axpo shows how long-term partnerships with leading energy market participants can accelerate investment in the flexible infrastructure that the country needs. Our first BESS project in Friuli-Venezia Giulia combines a strategic, location, advanced stage of development, and a robust commercial structure. This project and the agreement with Axpo make Zelestra the second-largest owner of authorised battery storage capacity in Italy – at 970 MW – reinforcing Zelestra's market leadership in this growing sector.”

The partnership between Axpo and Zelestra reflects the commitment of both companies to accelerating the deployment of large-scale energy storage by using innovative commercial structures that enable renewable integration, strengthen security of supply and support the continued evolution of Italy's electricity market.

About Axpo

Axpo is driven by a single purpose – to enable a sustainable future through innovative energy solutions. Axpo is Switzerland's largest energy producer and an international leader in energy trading and the marketing of solar and wind power. Axpo combines the experience and expertise of about 7,500 employees who are driven by a passion for innovation, collaboration and impactful change. Using cutting-edge technologies, Axpo innovates to meet the evolving needs of its customers in over 30 countries across Europe, North America and Asia.

About Zelestra

Zelestra is a vertically integrated company specializing in the development, commercialization, construction and operation of large-scale renewable energy projects. The company was recently ranked by BloombergNEF among the top 10 sellers of clean energy to corporate customers — both globally and in the US. Zelestra is backed by EQT, a leading global investment organization with more than €291 billion in assets under management, visit www.zelestra.energy

Additional information

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