

Media Release

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Axpo takes over flexibility commercialization of Nordic's largest battery storage unit

Axpo Nordic continues to expand its business in the commercialization of flexibility by entering the market of battery storage systems: The subsidiary of Axpo has concluded an agreement with Neoen, a global leader in battery-based grid services, for the provision of ancillary services from a newly built lithium-ion battery storage unit in Yllykkälä (Finland). In this context, Axpo Nordic will be responsible for the marketing of the facility's flexibility on the Finnish market, and manage the battery's energy production and consumption when it comes to charging and discharging.

"Yllykkälä Power Reserve One" is a new 30 MW energy storage plant developed by Neoen, with a storage capacity of 30 MWh. The facility will be located close to Lappeenranta in the South-East of Finland. Currently under construction with commercial operation expected in the coming months, Neoen's large-capacity battery is set to play a key role in stabilizing the national electricity system managed by the transmission system operator Fingrid.

Aside from greater reliability and lower electricity grid stabilization costs, the largest battery storage unit ever built in the Nordic countries will facilitate the integration of future renewable energies projects into the grid and make it possible to harness Finland's substantial wind resources.

Flexibility from battery storage systems is good for the climate

Through the agreement for the Yllykkälä plant, Axpo and Neoen are setting a new milestone. With the continuous increase of renewable energy production and the recent developments in battery storage unit technologies, flexibility marketing agreements will become a significant growth area for both investors and marketers of battery storage systems and other flexible assets.

The growing development of weather-dependent renewable power generation leads to cannibalization effects and increased difficulties in managing the grid in a secure and reliable manner. The flexibility marketing with battery storage systems is a natural hedge to both effects and represents a valuable business opportunity. In addition, in Finland flexibility marketing will be a key contributor to the country's goal of becoming carbon neutral by 2035.

Johan Arnberg, Head Physical Optimization & Structuring at Axpo Nordic, explains: "As more and more new renewable production such as wind power is coming into the system, innovative solutions are needed in order to ensure stable and efficient operation of the power grids. State-of-the-art batteries are one way to solve short-term variations. They are becoming more competitive every day. Axpo Nordic sees a great opportunity in this market and therefore wants to play a key role in this new business segment."

Ready for more flexibility

As a leading marketer of renewable energies across Europe, Axpo is ready to build up on its marketing experience to expand in the field of flexibility. For this purpose, Axpo has set up an IT platform which is foreseen to be used in various European countries. By means of this platform, Axpo is able to aggregate the flexibility of various decentralized medium-to-small renewable energy production sites, energy storage devices and industrial sites into a virtual power plant. Axpo will use it on the most attractive flexibility markets, be it ancillary services, day-ahead, intra-day or balancing markets.

Marco Nideröst, Head Asset Optimization at Axpo Power, comments: “The agreement with Neoen in Finland is the starting point for our new IT platform in the Nordics. We are delighted to join forces with Neoen on this innovative project. By making available our experience in marketing flexible assets, Axpo is going to contribute to Finland’s transition towards more renewable energies. This valuable new asset set-up will help improve grid stability in Finland.”

About Axpo:

Axpo is Switzerland’s largest producer of renewable energy and an international leader in energy trading and the marketing of solar and wind power. 5,000 employees combine experience and expertise with a passion for innovation. Axpo develops innovative energy solutions for its customers based on state-of-the-art technologies in over 30 countries in Europe and the USA.

About Neoen:

Neoen is one of the world’s leading and fastest growing independent producers of exclusively renewable energy. With a capacity of more than 3 GW in operation or under construction, Neoen is a high-growth company. Neoen is notably active in France, Finland, Australia, Mexico, El Salvador, Argentina, Portugal, Ireland, Zambia, Jamaica and Mozambique. In particular, Neoen operates France’s most powerful solar PV farm (300 MWp) in Cestas, and the world’s largest lithium-ion power reserve (150 MW/193.5 MWh storage capacity) in Hornsdale, Australia. Neoen is targeting at least 5 GW capacity in operation or under construction by end of 2021. Neoen (ISIN Code: R0011675362, ticker: NEOEN) is listed in Compartment A of the regulated market of Euronext Paris.

Additional information

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