

## Tokyo energy storage companies

Global energy storage specialist, Eku Energy, has announced the Hirohara Battery Energy Storage System (BESS) located in Oaza Hirohara, Miyazaki City, Miyazaki Prefecture. The 30MW/120MWh battery is Eku's first in Japan, and the company has agreed a 20-year offtake agreement for the project with Tokyo Gas.

Construction is scheduled to begin in the second half of 2024 and the battery is expected to begin operating in July 2026. Once live the BESS will be capable of storing enough electricity to power approximately 63,000 households for four hours.

Project financing has been arranged by MUFG Bank representing the first battery storage project they have arranged finance for in Japan. Under the offtake agreement, Eku Energy will own the BESS while Tokyo Gas will own 100% of its operating rights for 20 years, with Eku Energy responsible for the ongoing maintenance of the facility.

As the global net zero transition accelerates, Japan has introduced its GX (green transformation) policy which provides a roadmap for economic growth and emissions reductions. Increasing renewable generation is a vital part of this roadmap and battery storage has a critical role to play in balancing electricity supply and demand.

Eku Energy is working across the full project life cycle to develop, build, and manage battery storage assets globally, with a presence in the UK, Australia, Japan and Italy. The company aims to grow its battery storage portfolio in Japan and support the country's GX targets by combining its global expertise, technology and commercial knowledge.

Gore Street, which launched Gore Street Energy Storage Fund back in 2018, announced this morning (4 December) that it has been selected along with Japanese conglomerate Itochu to look after the new fund.

It takes the form of a public-private partnership with the Tokyo Metropolitan Government (TMG), which chose and appointed the pair through a competitive solicitation. Both partners will be responsible for the fund's technical and economic decision-making.

TMG will contribute an initial 2 billion (US\$13.63 million) to invest. Itochu will also put money in, while other private investors are also being sought to take part. Investments will be focused on projects in the Kanto region, which comprises the Tokyo Metropolitan area and six surrounding prefectures.

Much of the new investment fund's remit is around establishing a new "green financing model" for investments in utility-scale battery energy storage system (BESS) assets in Japan, Gore Street said.

Its partner Itochu, active in areas including raw textiles, machinery, metals, fashion labels to real estate, food,

insurance and financial services to energy, is one of the market leaders in sales of residential battery storage systems in Japan with around 55,000 units sold as of the start of this year.

Itochu has also already made its entrance into the large-scale BESS sector. It announced its first 11MW/23MWh project in Osaka Prefecture, west Japan, in partnership with utility Osaka Gas in June. The company also entered a partnership with Australian developer Akaysha Energy for utility-scale BESS projects in Japan a while back, which it announced in September.

Japan, like Britain, is an island country with relatively little interconnection to neighbouring states. That means it needs to balance and manage volatility within its own grid networks, and energy storage is a key technology to enable that, especially as rising shares of renewable energy will increase that volatility.

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