



Insights on utility scale batteries in NZ

January 2026

Summary



- Two utility scale BESS have been commissioned (1x 35 MW / 35 MWh, 1x 100 MW / 200 MWh) and two are under construction (2x 100 MW / 200 MWh) in New Zealand.
- Intraday price spreads over the last two years have tended to remain relatively robust even when average prices have been low at times of strong hydrology and/or low demand. This is a positive sign for BESS energy arbitrage revenues.
- Participation in the reserves market from both the Rotohiko and Ruakākā BESS appears to have placed downward pressure on North Island reserves prices.
- The Rotohiko and Ruakākā BESS have established strong shares in the North Island reserves markets, leaving less room for new entrants.
- The Rotohiko BESS has attained ~\$1.5m in cumulative revenues since commissioning from reserves market participation (Energy arbitrage revenues not calculated due to lack of public data on the BESS' charging regime.)
- Ruakākā BESS cumulative revenue (including reserves and energy arbitrage) is approx. \$600k since commissioning.
- The reserves market, and the ancillary service markets in general, are very small in comparison to the energy market. The arrival of two 100 MW / 200 MWh BESS (Glenbrook-Ohurua and Huntly) will likely lead to intense competition within the North Island reserves market.
- BESS total installed costs are expected to continue to decline and so – unsurprisingly – there is considerable interest in BESS project development in New Zealand.
- Overseas trends suggest BESS will earn more revenues from arbitrage over time (rather than ancillary services), favouring longer duration batteries. Concept's electricity price forecasts suggest that New Zealand will follow suit.

Four utility scale BESS commissioned/under construction



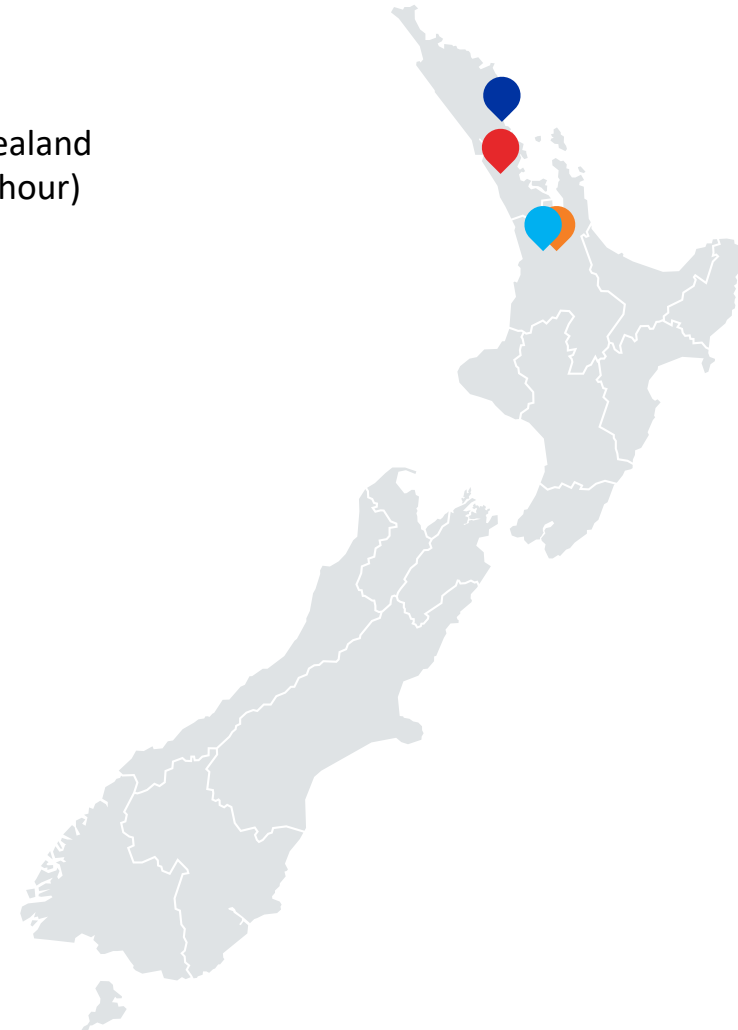
All developers have located their assets at or close to existing grid infrastructure and in proximity to the major load centre of Auckland.

Rotohiko BESS
[NewPower Energy](#)
Huntly, Waikato, New Zealand
35 MW / 35 MWh (1 hour)
\$25 million
Commissioned December 2023

Ruakākā BESS
[Meridian Energy](#)
Ruakākā, Northland, New Zealand
100 MW / 200 MWh (2 hour)
\$186 million
Commissioned June 2025

Glenbrook-Ohurua Battery
[Contact Energy](#)
Glenbrook, Auckland, New Zealand
100 MW / 200 MWh (2 hour)
\$163 million
Under construction

Huntly BESS
[Genesis Energy](#)
Huntly, Waikato, New Zealand
100 MW / 200 MWh (2 hour)
\$135 million
Under construction



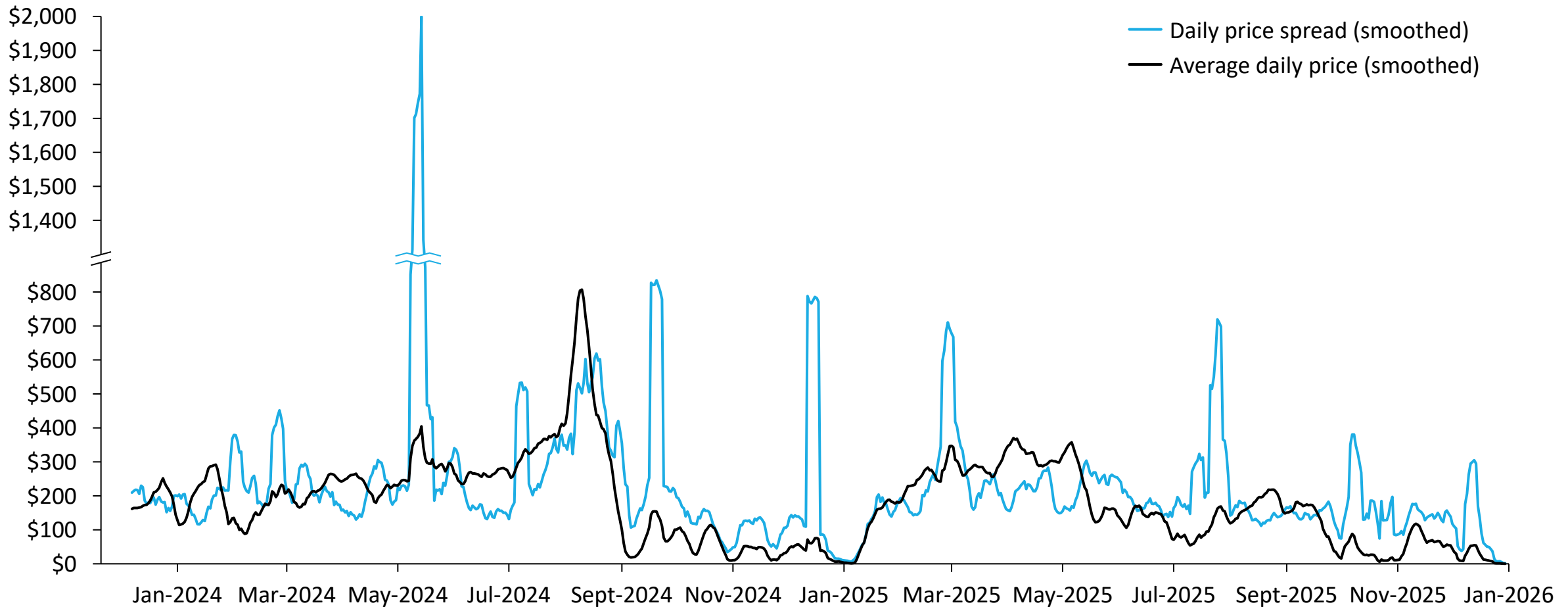
Note: All dollar figures are nominal and in NZD.

Energy prices



Intraday price spreads have tended to remain relatively robust even when average prices have been low at times of strong hydrology and/or low demand. This is a positive sign for BESS energy arbitrage revenues.

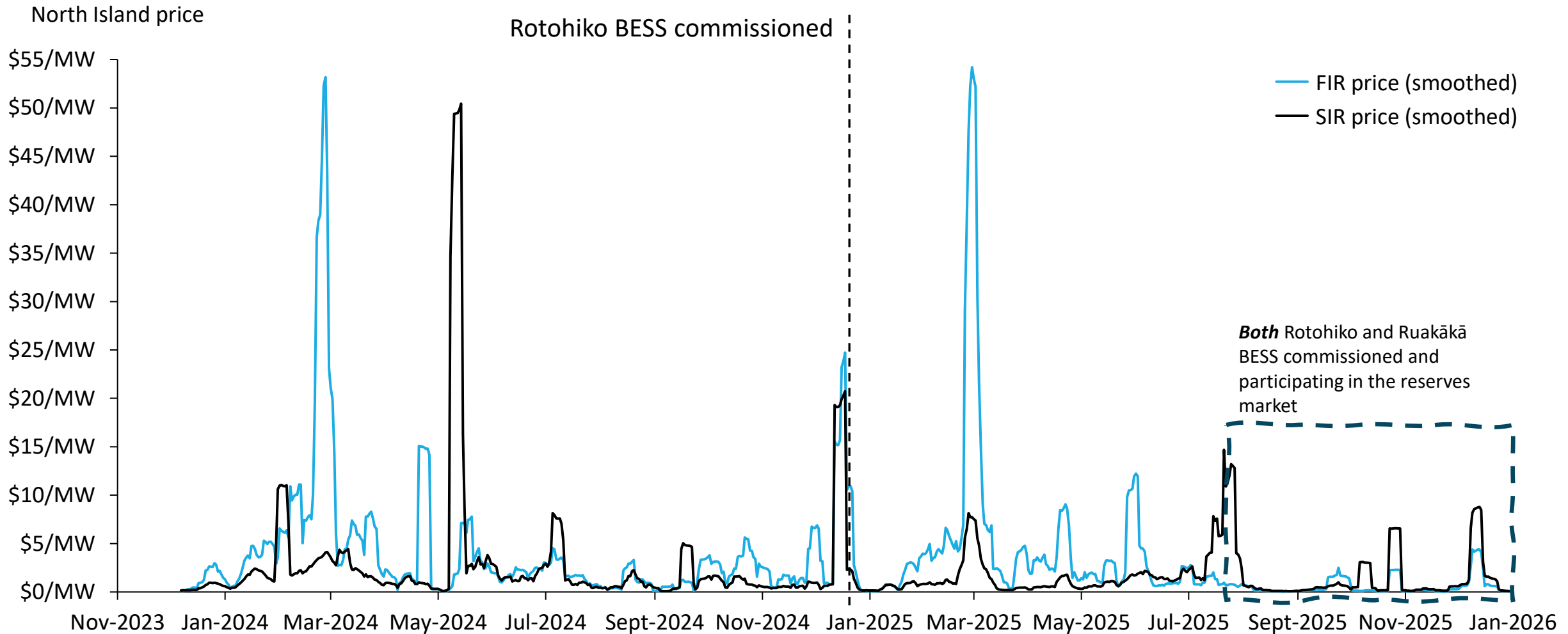
Price at Ōtāhuhu (\$/MWh)



Reserves prices



Participation in the reserves market from both the Rotohiko and Ruakākā BESS appears to have placed downward pressure on North Island reserves prices. We will investigate this topic further in future updates as more data comes to hand.



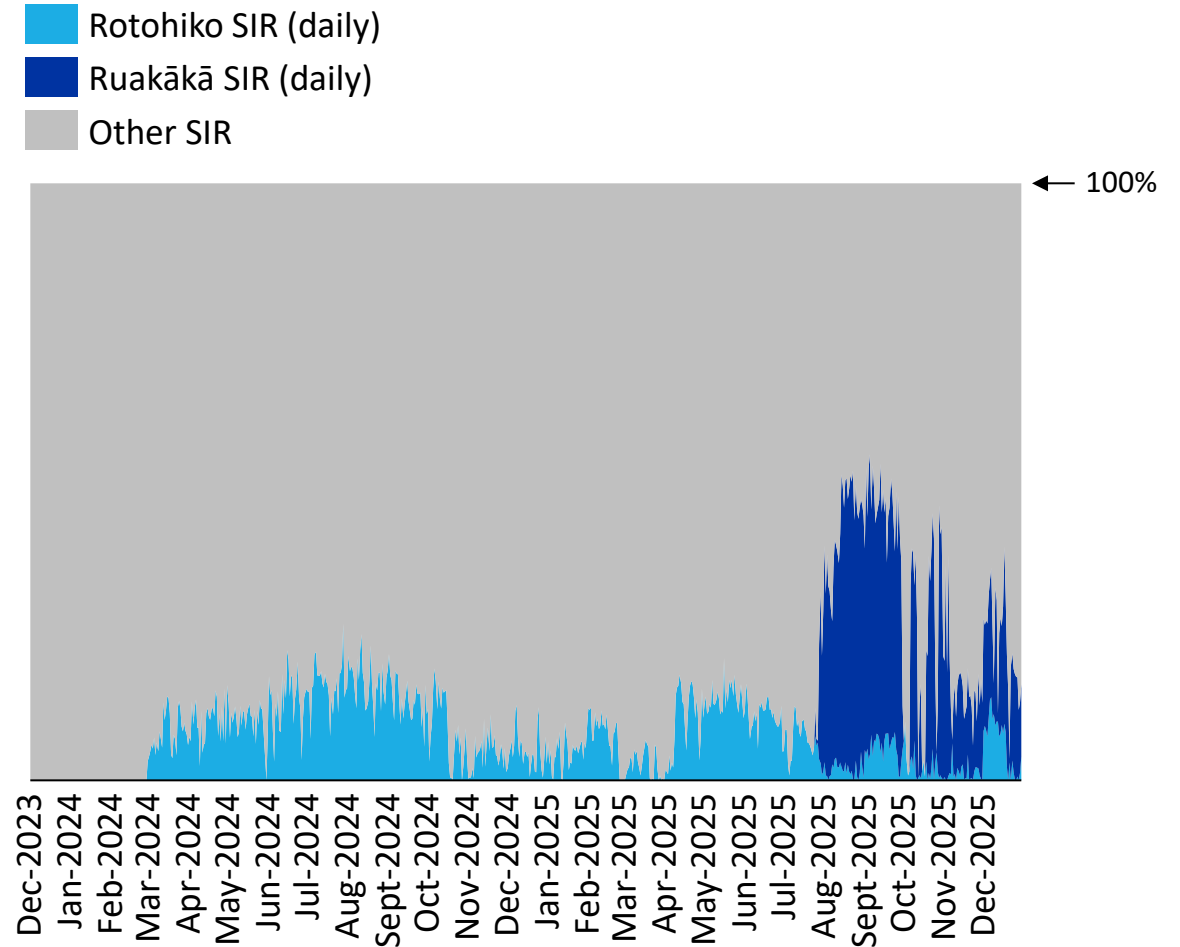
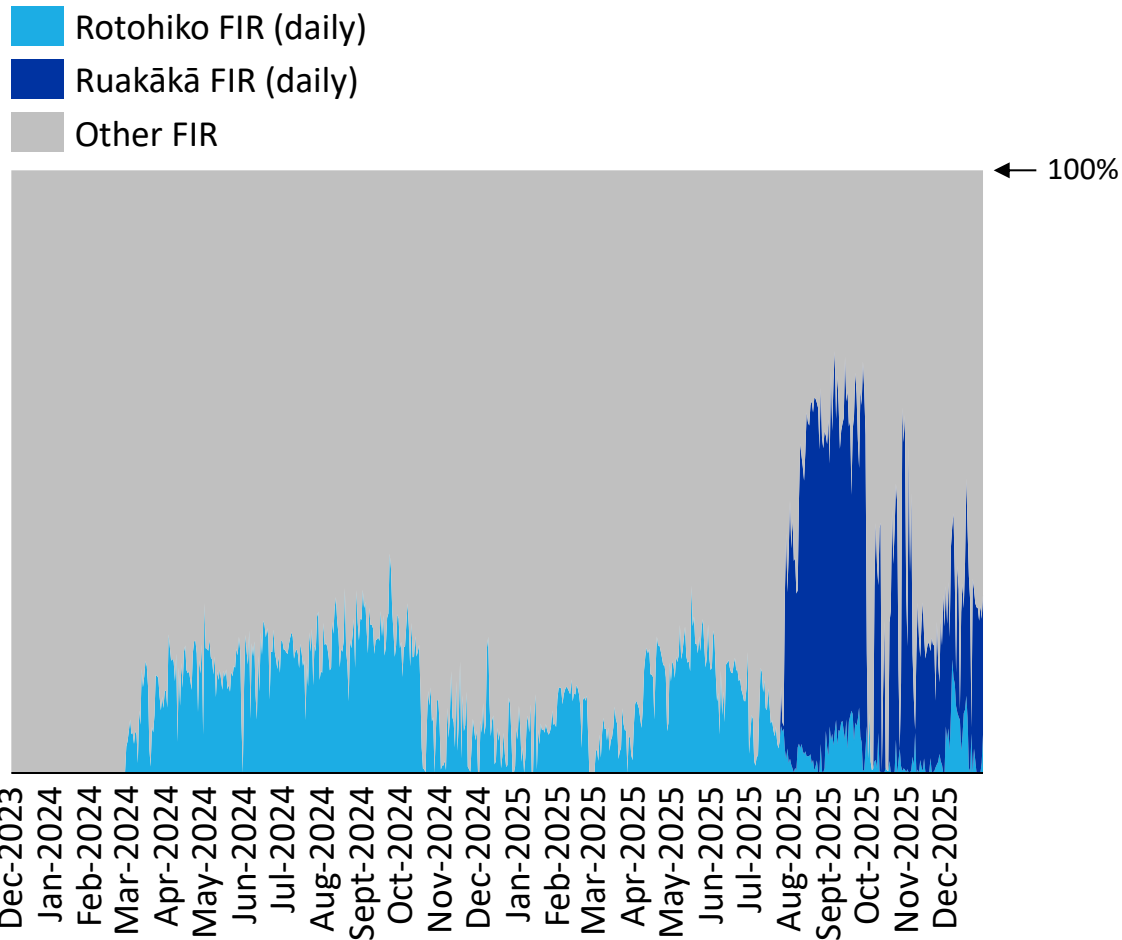
Source: Electricity Authority data. Note: reserves are priced in \$/MW ([Part 13—Trading arrangements | Electricity Authority](#)) (for MW availability on standby) but cleared or dispatched over half hour trading periods.

Reserves market share



The Rotohiko and Ruakākā BESS have established strong footholds in the NI reserves markets, leaving less room for new entrants.

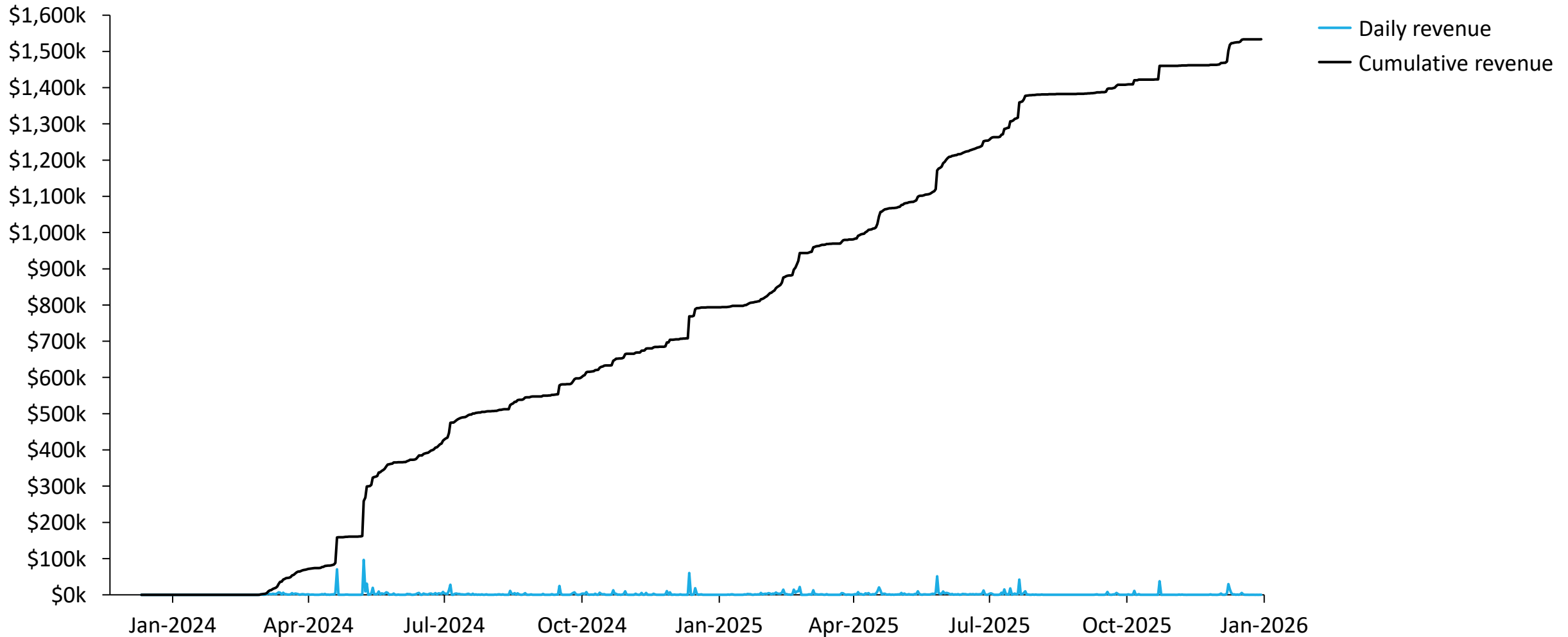
NB: **Fast Instantaneous Reserve (FIR)** must be provided within one or six seconds (depending on the provider's installation) and last at least one minute, while **Sustained Instantaneous reserve (SIR)** must be provided within sixty seconds and last at least fifteen minutes. A single resource like a BESS can often provide both classes simultaneously if it can act quickly and sustain that action for the required periods. Refer to the Electricity Industry Participation Code and the System Operator's Ancillary Services Procurement Plan for more details.



Rotohiko BESS performance



The Rotohiko BESS has attained ~\$1.5m in cumulative revenues since commissioning from *reserves market* participation. Energy arbitrage revenues are not included due to lack of public data on the Rotohiko BESS' charging regime.

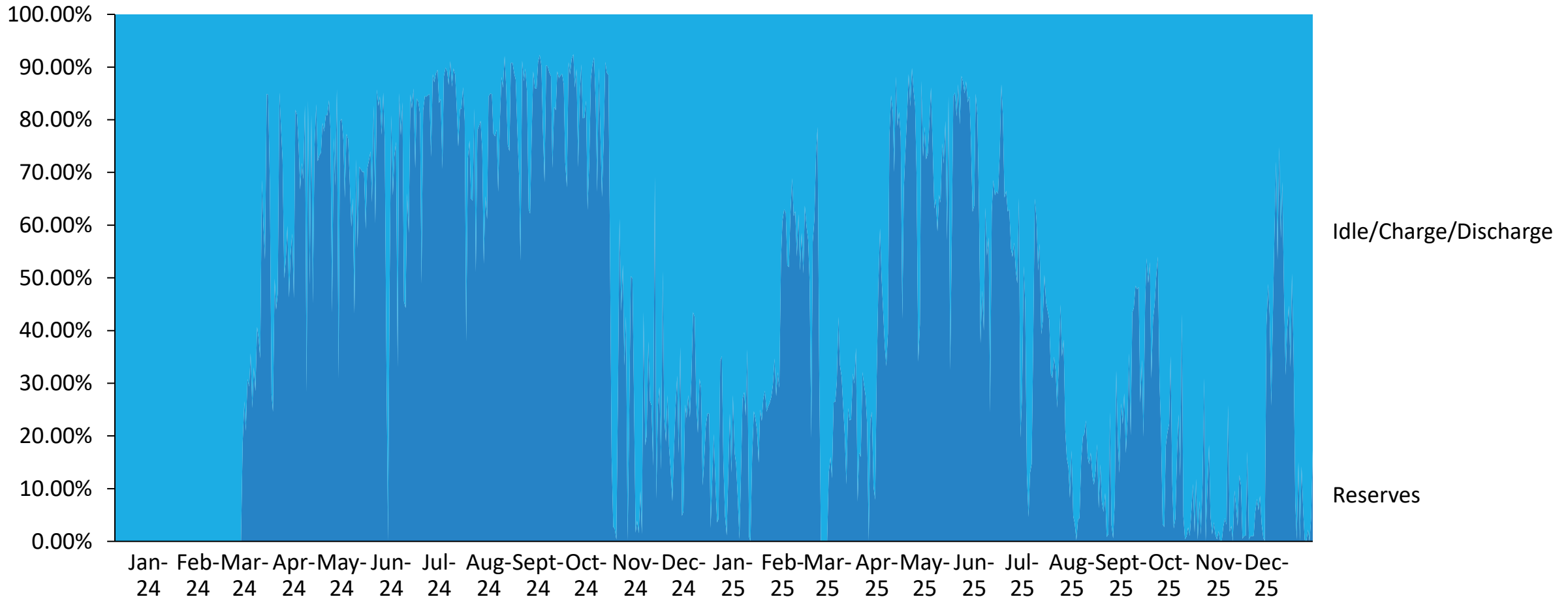


Rotohiko BESS commitment



It is clear that the Rotohiko BESS has often prioritised reserves market participation. Charge and discharge data is not shown due to absence of publicly available data on the BESS' charging regime.

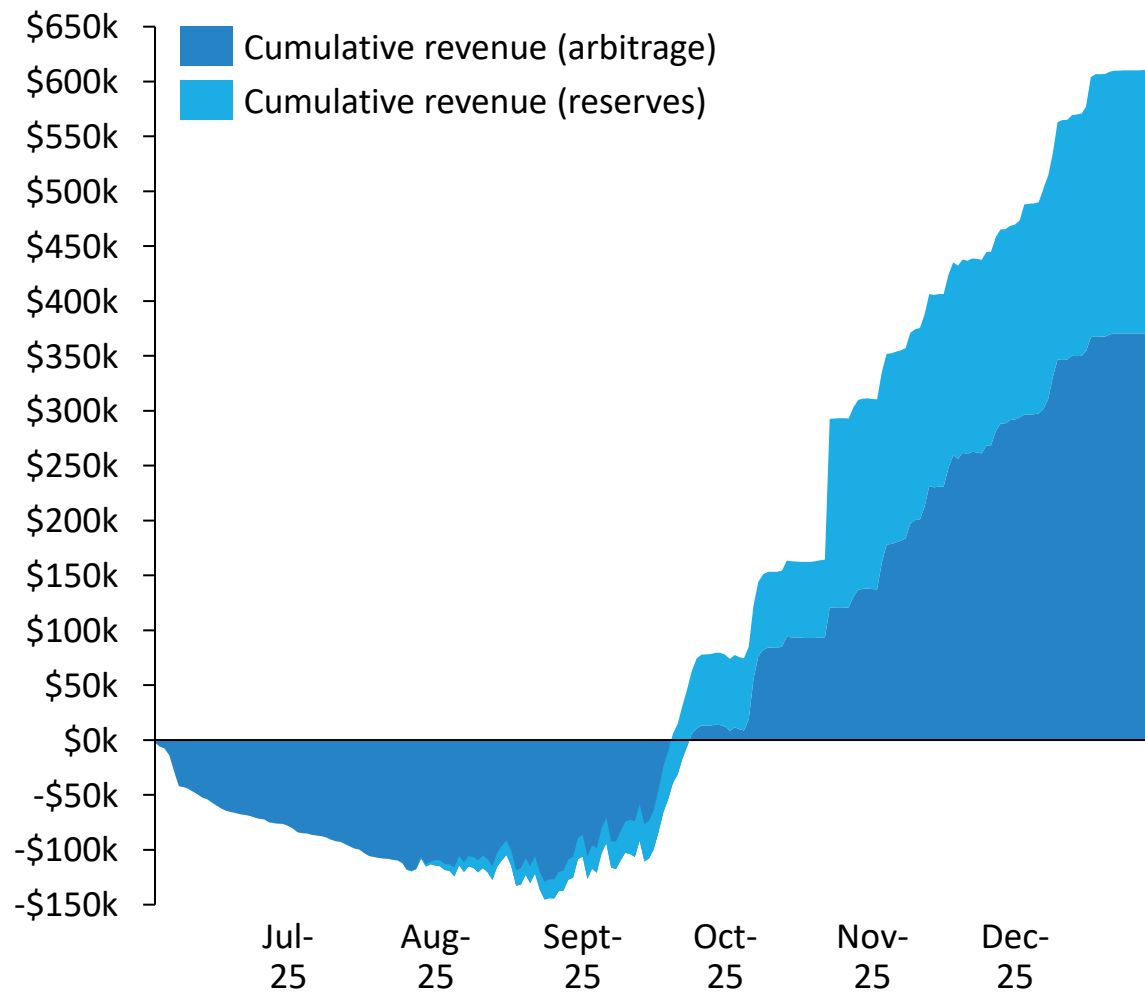
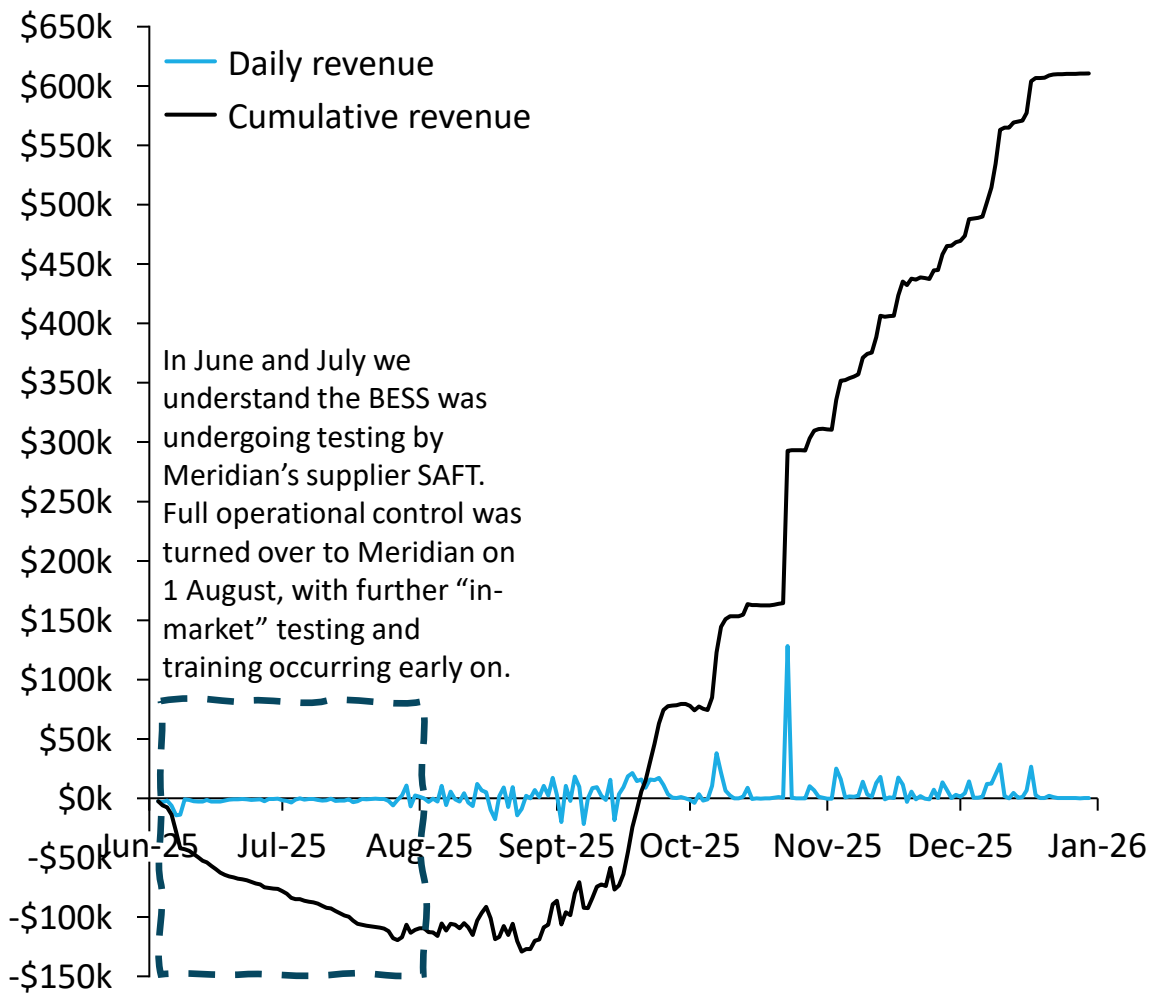
Daily inverter commitment



Ruakākā BESS performance



Ruakākā BESS revenue since commissioning (including reserves and energy arbitrage) is approximately \$600k cumulatively.

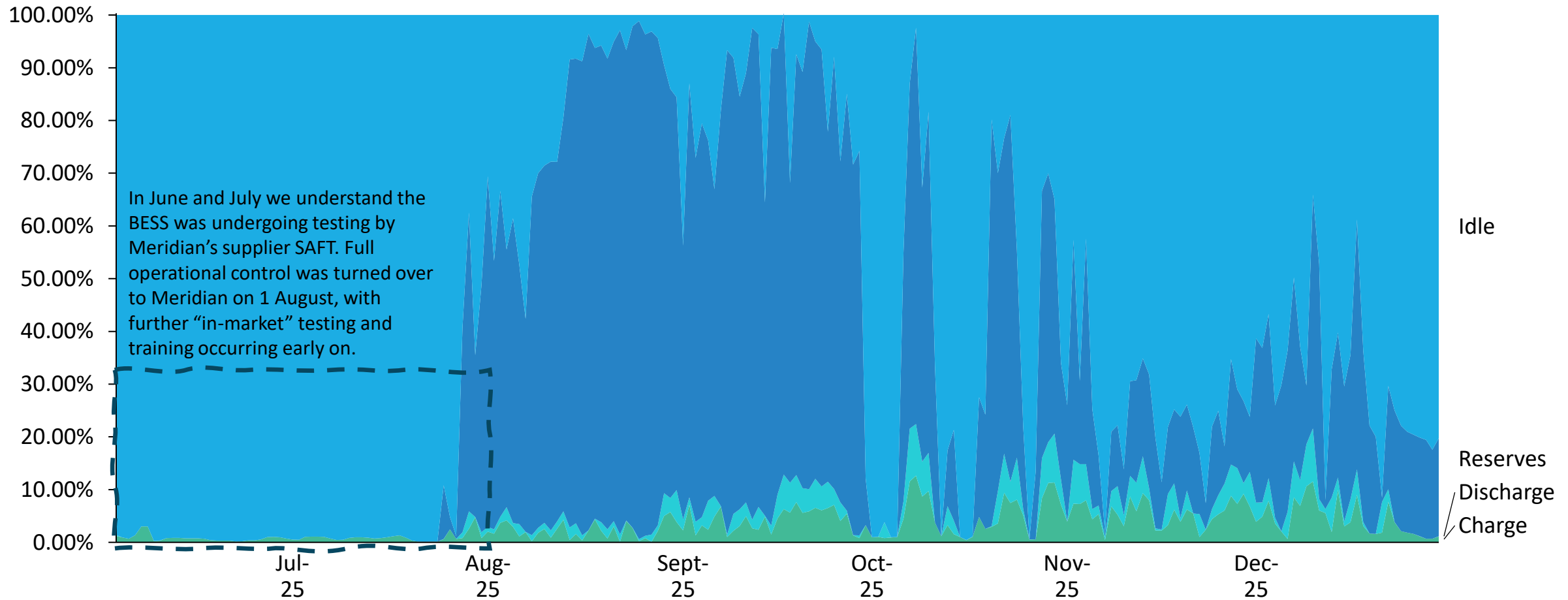


Ruakākā BESS commitment



The Ruakākā BESS' priority towards reserves market participation is clear. Meridian may prioritise reserves provision to maximise South Island to North Island HVDC interconnector flows and reduce SI/NI energy price separation for its South Island generation.

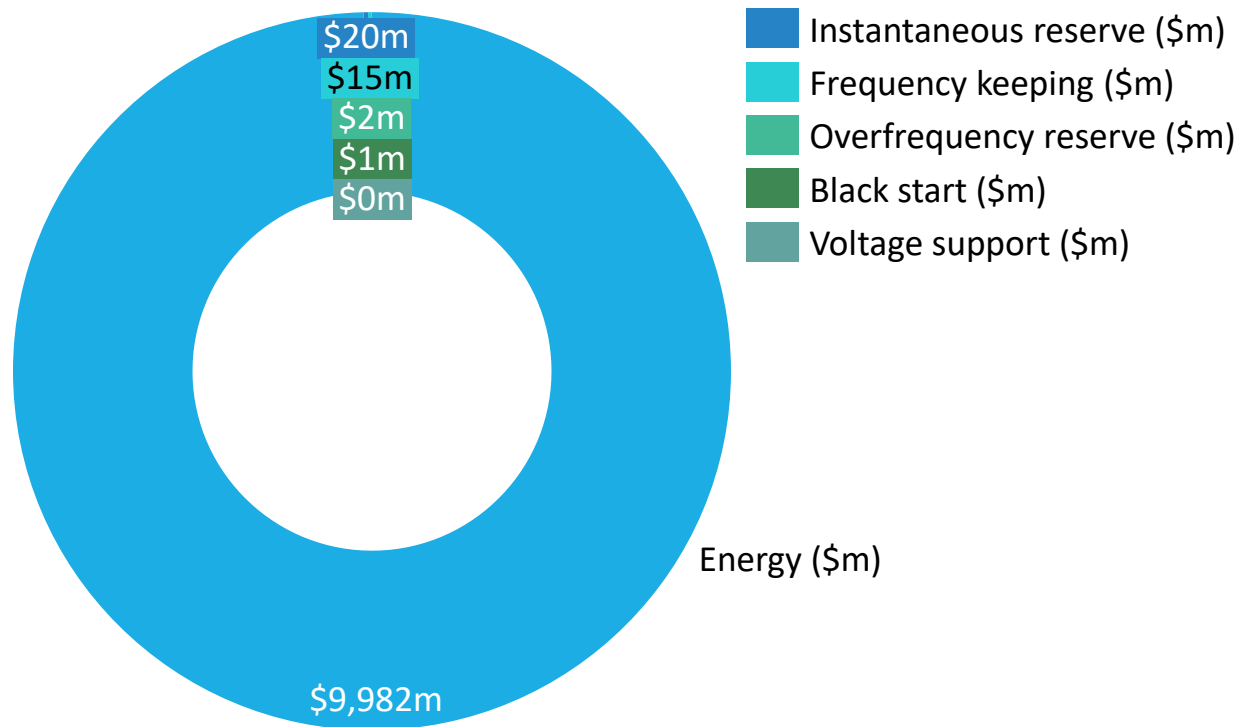
Daily inverter commitment



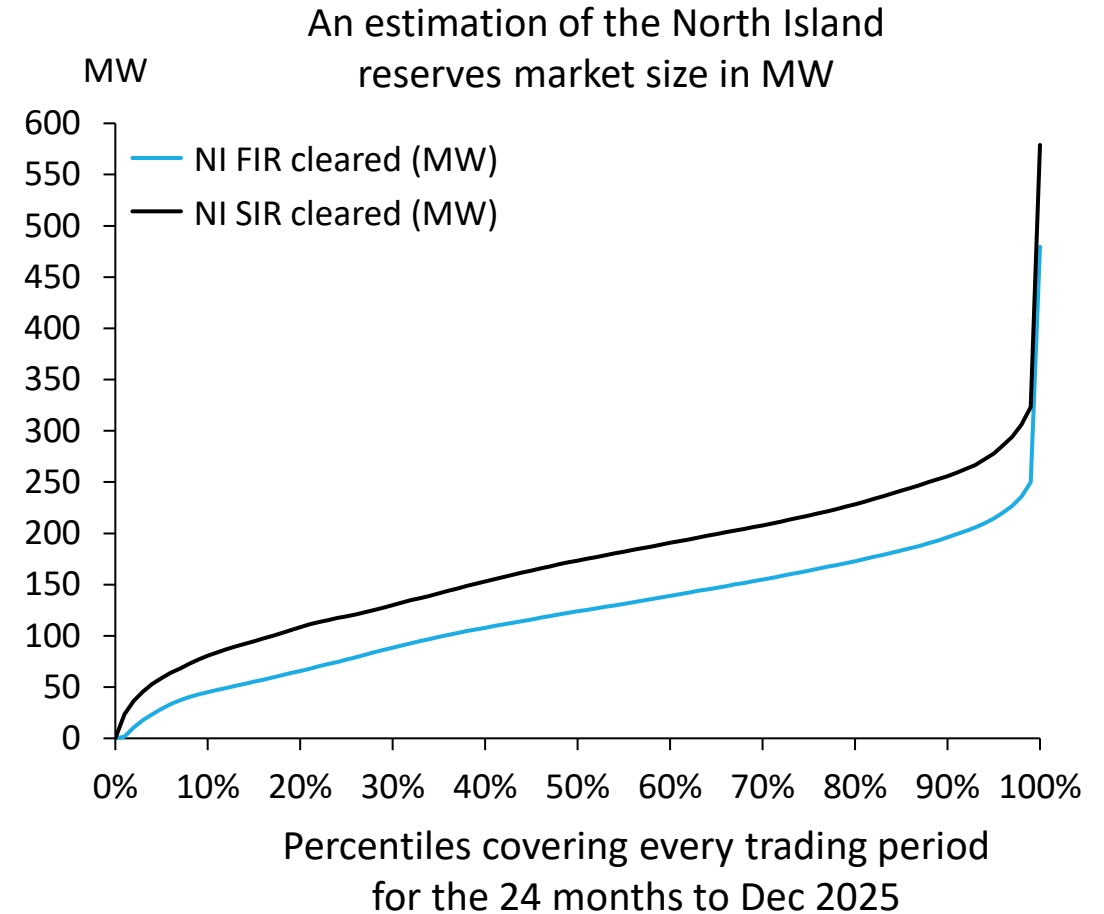
Competition in the reserves market will intensify



- The reserves market, and ancillary service markets in general, are very small compared to the energy market.
- The arrival of two 100 MW / 200 MWh BESS (Glenbrook-Ohurua and Huntly) will likely lead to intense competition within the North Island reserves market.



12 month market size totals (in dollars) to 30 June 2025 for NZ

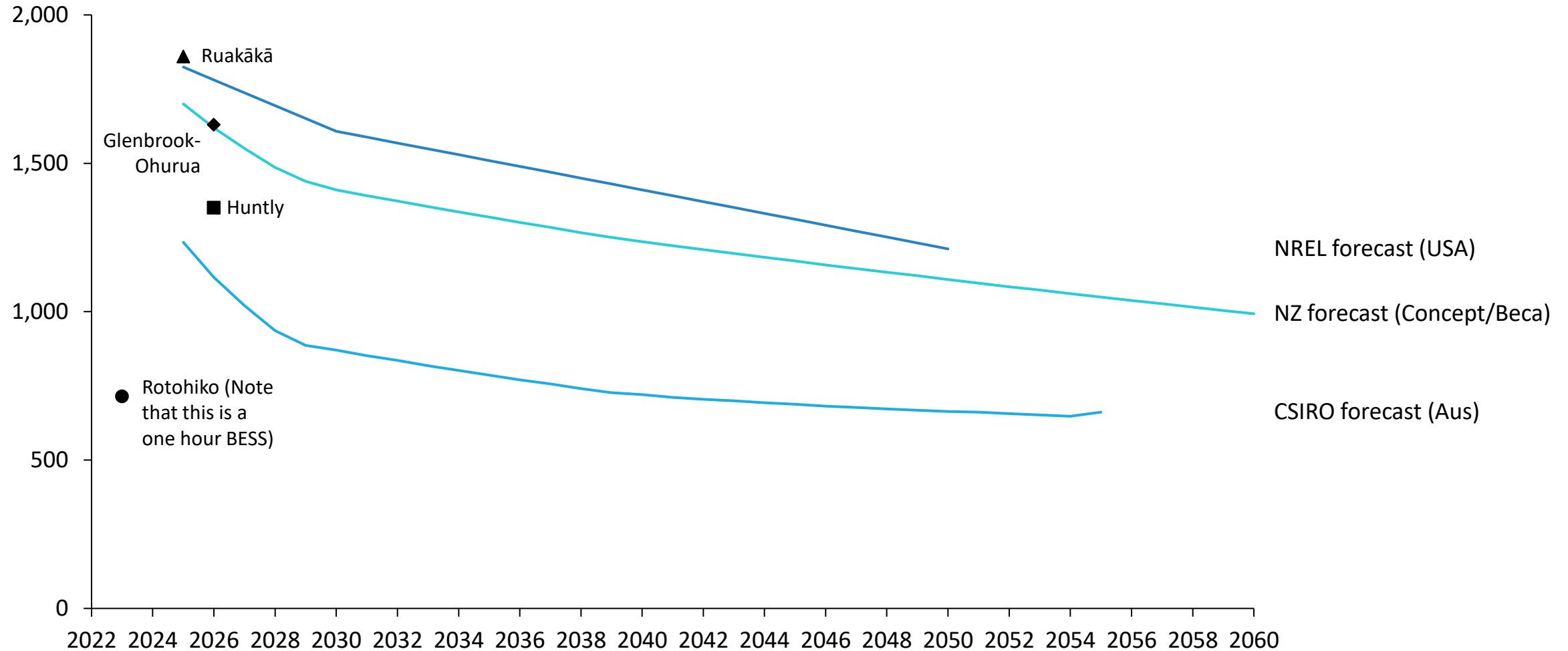


BESS total installed costs are expected to continue to decline...

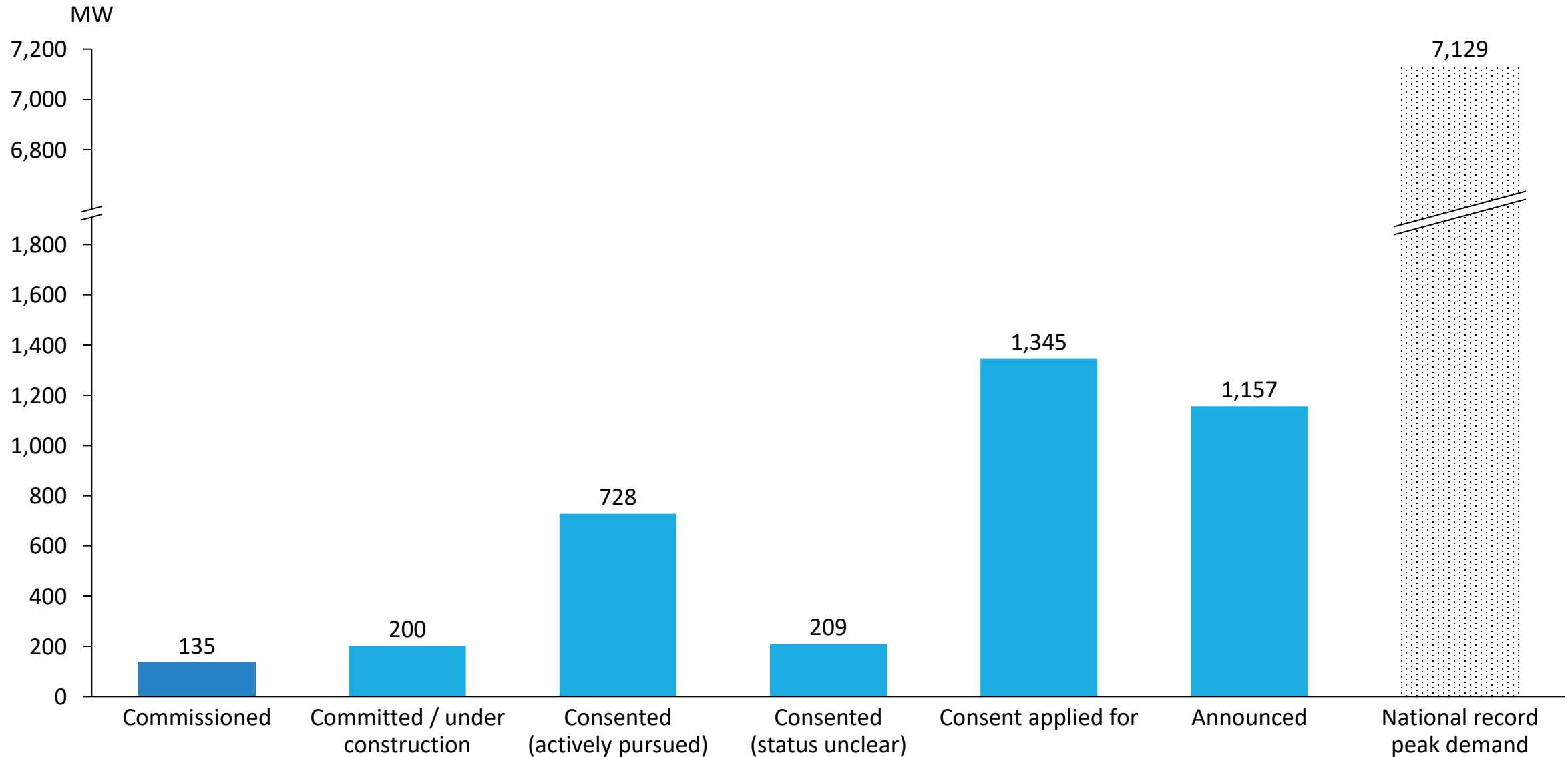


...which may drive continued investment in BESS.

\$/kW AC total installed cost – 2 hour BESS



There is considerable interest in BESS project development in New Zealand



Source: Concept's proprietary supply information database. Note: (1) The figures presented will differ from Transpower's connection pipeline as we only use publicly disclosed information, whilst Transpower may be privy to more. (2) Some of the BESS projects contemplated above may be co-located with renewable generation.

Overseas trends suggest BESS will earn more revenues from arbitrage over time, rather than ancillary services

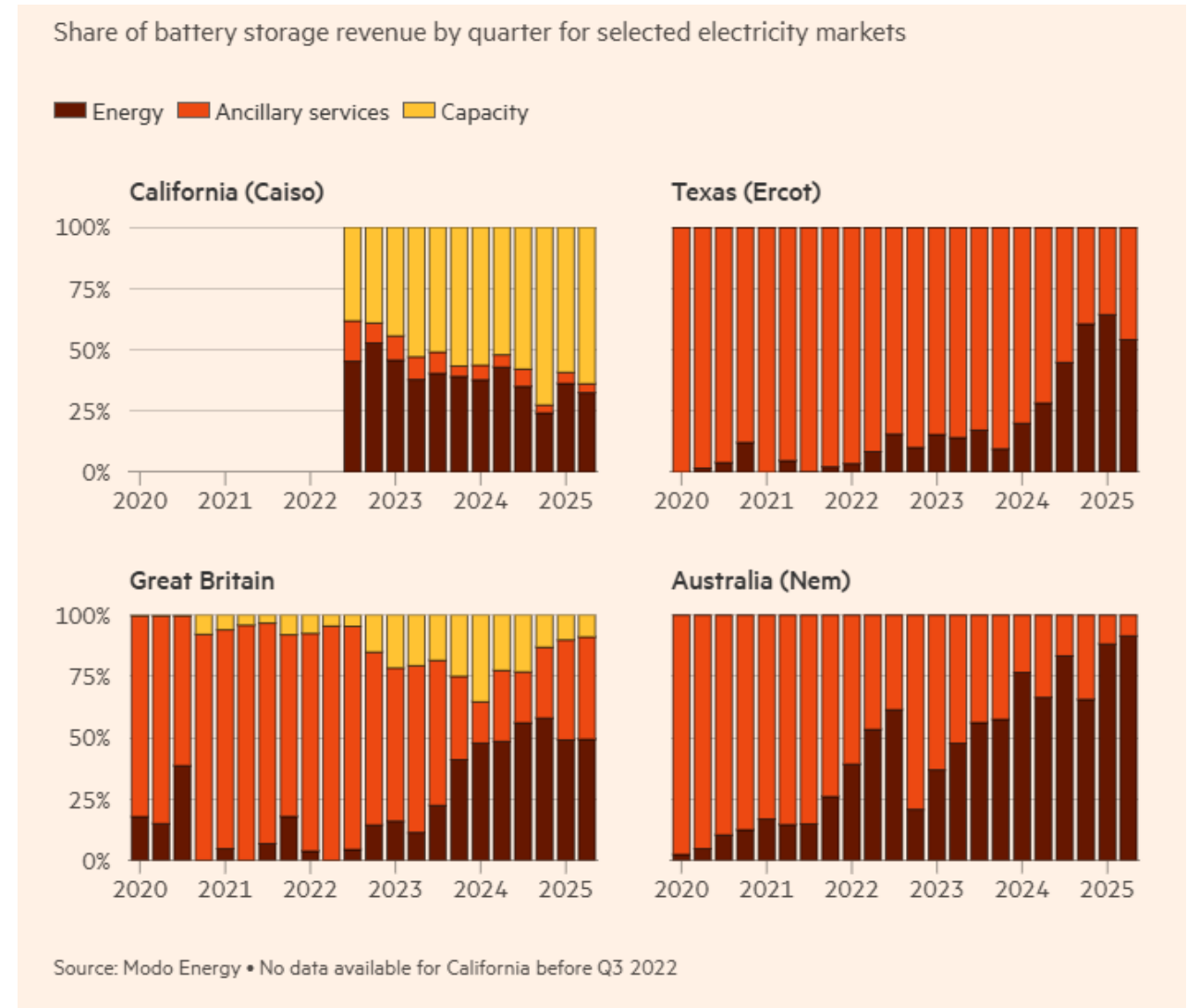


This may indicate one or both of the following:

- Ancillary service markets become saturated through BESS competition, resulting in lower revenues.
- Growth in intermittent renewables like wind and solar lead to greater price volatility and intraday spreads, making energy arbitrage more favourable.

Increased focus on arbitrage in overseas markets has contributed to longer duration (e.g., 4 hour and 8 hour) BESS installations emerging.

Concept's electricity market forecasts suggest that New Zealand is likely to follow suit in the coming decades with longer duration BESS.



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Our strength is from combining economic & regulatory expertise with deep sector knowledge and leading quantitative analysis.

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