

PRESS RELEASE

ALTEO Nyrt. completes construction work for its “Integration of storage installation built using different parameter battery cells into the electricity system” research project

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ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság has been awarded EU support in the form of a non-refundable grant amounting to HUF 227.84 million and a refundable loan amounting to HUF 249.68 million for the implementation of experimental development processes in the framework of the call concerning Combined Loan Facility Product for Supporting the RDI Activity of Companies under the Economic Development and Innovation Operational Program identified as GINOP-2.1.2-8-1-4-16.

The project identified as GINOP-2.1.2-8-1-4-16-2017-00310 is being implemented within the scope of the Széchenyi 2020 Program.

Construction work for ALTEO’s “Integration of storage installation built using different parameter battery cells into the electricity system” was completed in line with the original plans. The 5MW/5MWh capacity electricity storage facility at the Kazincbarcika Heating Power Plant was officially inaugurated today, and project tender conclusion is slated for 13 January 2022.

With this initiative, ALTEO is seeking an innovative solution – one that is in line with the framework of the circular economy – to the surge in balancing needs due to the proliferation of weather-dependent renewable energy sources, in addition to improving the quality of its regulatory capacity related to the Automatic Frequency Restoration Reserve (aFRR). Establishing battery energy storage installations is one possible route. The company established its first, 6MW/4MWh capacity power storage facility back in 2018, on the premises of the Zugló Power Plant in Budapest. The main difference between the new facility in Kazincbarcika and the standard solutions currently available on the market is that it uses two types of batteries, meaning that batteries essentially manufactured for automotive use also appear in the system.

“What is unique is that in addition to batteries developed specifically for energy storage tasks in the electricity system, batteries manufactured for electric cars will also have a role,” said Péter Luczay, ALTEO’s Deputy CEO for Generation Management and Business Development. According to Péter Luczay, the operation of the new storage system will give ALTEO the opportunity to gain relevant operational experience, in real-life conditions, regarding the alternative use of batteries produced for electric cars in the electricity system.

He also revealed that ALTEO is planning to operate the energy storage infrastructure for a longer term than the five-year mandatory testing period stipulated in the project’s grant agreement, and that process experience from the construction of the facility in Zugló will also be leveraged for the infrastructure. Péter Luczay stated that experience gained so far, complemented with experience from the implementation and operation of the new facility, can help ALTEO to provide the best long-term response to the challenges posed by the rapid and significant changes in the regulatory market.

Including this development, ALTEO has a total electricity storage capacity of 11MW/9MWh. That makes it the market leader in the implementation and operation of electricity storage projects in Hungary.

The capital market disclosure that serves as the basis of this ALTEO Nyrt. press release is available on the company’s **website**, as well as on Budapest Stock Exchange Ltd’s **website** and on the dedicated **disclosures interface** of Central Bank of Hungary.

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