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RedFlow Welcomes Draft Energy White Paper

Electricity storage system company, RedFlow Limited (ASX:RFX), said today it welcomed the release of the Australian Government's *Draft Energy White Paper 2011: Strengthening the foundations for Australia's energy future*.

The 295 page paper covers key issues in Australia's energy markets and potential policy changes.

Within the electricity sector, it highlights the drivers to adopt new and smarter technologies and the high capital investment required to meet Australia's electricity needs. It estimates that an investment of up to \$120 billion is required in Australia's electricity distribution networks over the next 20 years.

RedFlow's energy storage products are referred to in the paper:

Successful commercialisation and deployment of intermittent and variable renewable energy technologies often needs a 'bundled' solution which relies on the integration of a number of distinct technologies.

RedFlow's core intellectual property centres on its development of the zinc-bromine battery module (ZBM) targeted to applications such as a companion energy storage solution for solar photovoltaic electricity generation. The company provides a packaged solution integrating its ZBM with power electronics, remote management and control systems into a fully functioning electricity storage system for grid and off-grid applications.

Key early contracts have included solar photovoltaic ZBM units for grid voltage support at peak evening times in rural areas; demonstration hybrid power supply units (solar photovoltaic, diesel generator, ZBM) to allow the overhead electricity network to be turned off in extreme bushfire weather; and demonstration of the integration of RedFlow units with smart grid technology in the Australian Government's Smart Grid, Smart City trial.

Source:

Draft Energy White Paper 2011: Strengthening the foundations for Australia's energy future.



An issue highlighted in the paper is the unseen, but real, cost of increasing peak electricity loads. For example, peak electricity demand has more than doubled in Brisbane over the 12 years to 2010 while the number of households has only grown by 35%.

One cause of this is the uptake of household air conditioning which has associated costs to the wider distribution network that are often not recognised. An example quoted in the Draft Energy White Paper is that the installation of a 2 kilowatt reverse-cycle air conditioner costs a consumer around \$1,500 on average yet imposes costs on the energy system as a whole of up to \$7,000 when adding to peak demand. That \$7,000 system-wide cost must then be spread across all other customers.

The need to supply peak electricity loads can be met with energy storage systems such as those manufactured and supplied by RedFlow.

The paper is open for submissions from interested parties until mid-March 2012, and RedFlow said it was looking forward to contributing to that process.

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