



Development

## **Genex shares rocket on Kidston Hydro agreement**

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RENEWABLE energy developer Genex Power has struck an offtake agreement with EnergyAustralia which saw its shareprice rocket more than 60% by noon today.

This morning EnergyAustralia entered into a binding energy storage services agreement, for a period of up to 30 years, from Genex's flagship K2 Kidston Pumped Hydro Project.

Under the offtake agreement EnergyAustralia has agreed to take complete power output from the high-profile pumped hydro project for years, plus two options to extend for a further 10-year period each.

The signing of the agreement is a lifeline for Genex which was facing an uncertain future when EnergyAustralia's parent company CLP Group delayed a decision to take power from the project, pushing back a final investment decision.

Genex will now provide full operational rights for the Kidston-2 pumped hydro plant to EnergyAustralia in exchange for a fixed annual payment.

After the 30-year term, EnergyAustralia will have the right to buy-out Genex's shareholding in the project.

The Kidston pumped hydro project would turn a disused mine site in Northern Queensland into a 250-megawatt pumped hydro generator with seven hours of storage. It is expected to cost in the range of \$700 million.

It is the second stage of three stage development comprising solar, pumped hydro and a wind developed collectively called the Kidston Renewable Hub.

With the offtake agreement now in place, Genex is seeking to reach financial close on the project in the third quarter of this year.

Genex CEO James Harding said the company had worked hard to complete restructuring of the project financing in order to reach financial close "as quickly as possible."

"We have been extremely pleased with the support of our stakeholders and counterparties during this period and now believe, with today's signing of the energy storage services agreement with EnergyAustralia, that we have the basis to move forward to financial close of the project," Harding said.

K2-Hydro will be the first pumped storage hydro project in the national electricity market in almost 40 years. It will also be the first to be developed under private ownership.

Genex received environmental approvals and hundreds of millions in support from both state and federal government agencies for its project, including \$132 million for a transmission line from the pumped hydro project to Mount Fox linking it with the National Electricity Market.

It also received \$516 million in the form of a secured long tenor subordinated loan from the Northern Australian Infrastructure Facility last year.