



EnergyAustralia could join 250-MW Aussie pumped storage hydro project

20 December 2018  
Renewables Now

December 20 (Renewables Now) - Genex Power Ltd (ASX:GNX) today unveiled a non-binding deal with EnergyAustralia that gives the energy retailer exclusive rights to sign an off-take agreement for the 250-MW pumped storage hydro project in Queensland and make an equity investment in the scheme.

The K2-Hydro pumped storage hydro project is part of the Kidston renewable energy hub in far-north Queensland and has an integrated solar project of up to 270 MW under development. The hub consists of a 50-MW operating solar project and also has a wind project of up to 150 MW under feasibility.

The non-binding term sheet entitles EnergyAustralia to negotiate and eventually enter into a long-term energy storage services agreement for the full dispatch and market rights related to K2-Hydro. It also provides for a proposed equity investment by the energy retailer through a special purpose vehicle that

will be formed to build, own and operate the project with Genex.

The term sheet is not binding and is subject to a range of conditions, including the completion of due diligence by EnergyAustralia. Commenting on the announcement, Genex's CEO James Harding said: "The Term Sheet from EnergyAustralia is a strong endorsement of the K2-Hydro project and its strategic value in the current environment of increasing penetration of renewable energy."

Genex said it aims to achieve financial close on K2-Hydro in the first half of next year, which will be followed by the financial closure of the accompanying K2-Solar project. The two schemes make up stage two of the Kidston hub and are slated for commissioning in 2022.

The developer noted that both projects will be funded on a stand-alone basis. It expects to secure funds for the pumped storage hydro scheme and begin construction as soon as possible, anticipated at the start of 2019. The development and financing of K2-Solar, meanwhile, will be among its key priorities next year, it added.