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INNOVATIVE: Genex Power plans to build its Kidston Pumped Hydro Storage project in these decommissioned mines.

Picture: SUPPLIED

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GENEX Power is poised to unlock a half-a-billion-dollar loan and start construction on its major North Queensland renewable energy project next year.

The company has signed a term sheet with EnergyAustralia for a new joint venture to operate its proposed Kidston Pumped Hydro Storage project (K2H), 270km northwest of Townsville.

Once finalised, the agreement would enable Genex to access a \$516 million Northern Australia Infrastructure Facility loan, which was approved in June on the condition a buyer for the electricity could be secured.

The hydro project is part of Stage

2 of the Kidston Renewable Energy Hub, which proposes an innovative use of two existing adjacent water-filled mine pits to generate hydro-electricity.

Construction of the plant and a transmission line to connect the project to the electricity grid is expected to create about 500 jobs.

Genex managing director Simon Kidston said the agreement with EnergyAustralia was a “major milestone” and meant construction was on track to start mid-2019.

“NAIF funding was conditional upon some kind of revenue contract; this is that condition being satisfied,” he said. “EnergyAustralia will operate the hydro plant and generate

electricity as they see fit ... they’re becoming a true partner with us.”

Mr Kidston said the company would continue to progress the other component of Stage 2: a 270mW solar project to integrate with the K2H project.

“The hydro takes three years to construct and the new transmission line ... has been timed for completion in 2021,” he said.

“To build a solar farm takes around 18 months so our intention is to complete construction at the same time.”

Mr Kidston said Genex’s commitment was to use local workers “as much as possible” and fly in workers



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from Townsville and the Tablelands.

“We’re currently negotiating with an airline to provide that service,” he said.

In September, the development was declared a co-ordinated project by the State Government, which will help fast-track construction.

A spokesman for the Queensland Coordinator-General’s office said Genex’s “innovative” re-use of a former mine site had the ability to revitalise the local economy.

“Genex has set a strong mandate to provide local residents with job

opportunities, whether that be direct on-site employment, consultancy or indirect contract work,” he said.

“I commend Genex on making sure locals benefit from the project.”

Stage 1 of the energy hub, a 50mW solar power project, has already been constructed, while Stage 3 – a 150mW wind farm project – is undergoing feasibility assessments.