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Kidston solar project draws closer to loan

HAYDEN SMITH hayden.smith@news.com.au

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A REMOTE Far North renewable energy development is firmly in contention to tap into the \$5 billion Northern Australia Infrastructure Facility (NAIF) loan scheme.

Genex Power has taken a step forward in its NAIF loan application, joining a group of only five projects to progress to the due diligence stage.

It is understood Genex aims to secure a concessional loan between \$200 million to \$300 million for its emerging large-scale renewable energy project at Kidston, about 400km southwest of Cairns.

The ASX-listed company would use the funding to help develop stage two of its solar project, worth \$420 million, and the \$330 million pumped storage hydro project.

“Genex welcomes this decision from NAIF as it views NAIF as an integral partner in the stage two project financing,” said Genex managing - director Michael Addison.

“Genex is aiming to commence construction of the 270mW solar and 250mW hydro projects in 2018.” An application by Indian company Adani to use NAIF funding for developing a rail line, linking its Carmichael mine to a North Queensland port, has also progressed to the due diligence stage.

The Kidston project has come along in leaps and bounds since construction of the 50mW phase one solar project began in February.

The State Government has pledged to commit \$150 million for the development of a North Queensland transmission line that would connect Genex’s stage two projects to the Powerlink network.

The project was also recently granted “critical infrastructure” status by the government in a bid to slash red tape.

Formed in 2015, the NAIF fund has 60 “active transactions” in the pipeline, none of which has been approved loan funding.

“NAIF is looking forward to working with Genex on the full due diligence phase for Genex’s stage two solar and hydro pumped storage facility at Kidston,” said NAIF chief executive Laurie Walker.

Genex said it was now working towards “providing the necessary information” to NAIF before a final investment decision was made.

GENEX GENERATES HUNDREDS OF JOBS • ASX-listed company Genex Power is developing the site of a former gold mine at Kidston, about 400km southwest of Cairns, into a large-scale renewable energy hub • Construction is under way for 50mW phase one solar project, featuring 540,000 panels • Phase one is to be followed by a second 270mW solar operation and pumped storage hydro station • With almost 90 workers already on-site, stage two is expected to generate a further 500 jobs when construction begins next year