

NAIF throws half a billion to Genex

THE KIDSTON Stage 2 project of pumped hydro and combined additional solar power has got the heads up from the Commonwealth with the announcement today of a A\$516 million secured long tenor subordinated loan from the \$5 billion Northern Australian Infrastructure Facility.

- o [Helen Clark](#)
- o 20 June 2018



Firm to get 20-year conditional loan for solar-pumped hydro Queensland venture

The Genex Power venture is only the third project to receive NAIF funding, the first being \$16.8 million for phase two of the Onslow Marine Support base and \$7 million for a Northern Territory barramundi farm.

The 20-year loan is subject to a number of conditions and customary terms including negotiating offtake agreements and grid connection for energy and dispatch rights, securing the balance of equity from an "acceptable equity partner", among others.

Financial close is planned before year's end for the North Queensland project.

Genex executive director Simon Kidston told Energy News it was "a massive milestone" that will secure the future of stage 2, that will see Australia's first combined pumped hydro and solar project.

"This is a major infrastructure project and traditionally they have government funding or some support, it's a tangible way the government is showing support," he said today.

Stage 1 involved a 50 megawatt solar farm and stage 2 will provide 250MW of pumped hydro and an additional 270MW of solar generation, which will be used to pump the water in the disused Kidston gold mine into the upper pit before it is released into the lower pit to run through turbines and generate power.

While it is easy to see in the huge price tag the government's preference for pumped hydro as a favoured form of renewable energy, Kidston prefers to see the project, which has also received a fair whack of Australian Renewable Energy Agency money, as dispatchable.

"I think what the government realised is that you can't have a rapid rollout of wind or solar... you need dispatchable energy," he said.

"And the cheapest is pumped hydro."

And while the government is focused on its Snowy 2.0 project in New South Wales, a number are actually needed, he said.

Gas is often seen as the most reliable dispatchable power source given a gas-fired plant can fire up in minutes compared with the hours it can take a coal-fired plant, but Kidston suggests once operational the Renewable Energy Hub will be far cheaper.

He said gas was a "fantastic generation alternative" but east coast exports have pushed up the price to the point where it won't be able to compete with Genex once it is up and running, even if a couple of the proposed LNG import terminals materialise to ease supply worries.

Kidston is, however, agnostic on any one form of power, preferring to see an energy mix with his large scale project (whose third stage will involve a wind farm, subject to a favourable feasibility study) and other renewable sources, as well as gas and coal.

And at a time when energy remains painfully contentious he has said the project faces little opposition, despite the Minerals Council of Australia and Snowy chief executive Paul Broad clashing over the project's value to Australian energy compared with coal-fired generation.

What is more important is to get the National Energy Guarantee through Parliament, whose benefits are that it focuses on a range of energy sources.

"The sooner it's finalised the better," Kidston said.

Genex was up over 10% trading at 30.5cps.