



Genex Power gets nod to develop Kidston stage two solar farm in Queensland

Lorna Nicholas
3 April 2018
Small Caps

Genex Power (ASX: GNX) has been given the nod to develop its Kidston stage two solar project, which will add to the existing Kidston stage one 50MW solar farm within the company's Kidston Renewable Energy Hub in Queensland's north.

The Etheridge Shire Council has formally granted development approval for the second stage solar project, which allows Genex to build up to 270MW of renewable solar power.

Genex is evaluating building the solar power component in stages to remain in line with energy offtake and transfer capabilities.

In addition to the solar component, stage two comprises a 250MW of pumped storage hydro project.

"After several months of market engagement, we are now in negotiations in regard to securing debt funding for our Kidston stage two projects with a select group of partners," Genex managing director Michael Addison said.

Mr Addison added the company's focus this year was to progress the Kidston stage two projects to financial close by the end of 2018.

In preparation, Genex has progressed engineering, procurement and construction contract negotiations with the contracts to be locked-in by the end of June.

Kidston stage one

Kidston stage one fed its first energy into the national electricity market in early December last year.

At the end of March, Genex reported its Kidston 50MW operation had generated 9,223MWh for March, affording the company almost A\$1.4 million in revenue for the month.

The operation created nearly A\$3.8 million in revenue for Genex between December and March.

By the end of March, the solar farm was generating 45MW and is expected to ramp up to full capacity by July.

Government funding and support

Kidston stage one and stage two have both received a slice of government funding, with the government's Australian Renewable Energy Agency granting Genex A\$8.9 million for Kidston stage one and a further A\$9 million for the Kidston stage two solar and hydro projects.

Additionally, the Queensland Government has provided a 20-year support deed for the Kidston stage one project via its Solar 150 program, with Genex's projects deemed "critical infrastructure" to the state.

According to Genex, the Kidston stage two solar project will benefit from the same advantages as its Kidston stage one with both solar farms situated within Australia's highest solar radiation zone.

"Concurrently, Genex continues to consider further renewable opportunities to broaden its project pipeline, as the company evolves into a broader renewable energy generation and storage developer," Mr Addison said.

Shares in Genex dipped more than 3% in mid-afternoon trade to A\$0.29.