

Solar projects get \$92m ARENA handout



Artist impression for a Queensland large scale solar power project.

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Australia's federal renewables agency will hand out grants worth \$92 million to a dozen solar projects, helping drive down costs and nearly tripling the country's large-scale solar power generation.

The Australian Renewable Energy Agency (ARENA) on Thursday said it had agreed to part-fund six solar plants in Queensland, five projects in NSW, and one project in Western Australia.

The projects will deliver 480 megawatts of electricity in all, adding to existing large-scale solar capacity of about 240 MW. The projects will also involve \$1 billion in commercial investments, ARENA said.

"It is now up to successful companies to deliver these projects in line with ARENA's requirements, which could see all plants built by the end of next year," ARENA chief executive Ivor Frischknecht said.

Companies whose planned solar projects may receive grants include Origin Energy, **Genex Power** and APA Group.

Several of the companies are currently seeking debt financing for the projects through the Clean Energy Finance Corporation's complementary large-scale solar program, ARENA said.

The federal government has committed to generating 20 per

cent of the country's power from renewables by 2020. Industry experts estimate Australia will need to build up to 5,000 MW of new renewables projects to achieve the target. The cash-strapped government has, however, come under fire for trying to strip nearly \$1 billion in future funding from ARENA as part of its budget repair efforts.

On Thursday, energy producer and retailer Origin Energy said it will enter formal negotiations with ARENA for \$20 million funding for its proposed Darling Downs solar farm in south-east Queensland.

“Origin is looking to develop a portfolio of potential large-scale solar sites and the construction of the Darling Downs Solar Farm may

help to unlock these future developments,” its energy markets chief executive Frank Calabria said. Construction at the 105 MW project is expected to begin in early 2017. Smaller rival Genex Power said it would receive \$8.85 million funding for construction of its 50 MW Kidston project in Queensland.

The company said it had also secured a long-term price guarantee agreement from the Queensland government for the electricity from the project. By 2.14pm (AEST) Genex shares were up two cents, or 12.5 per cent, to 18 cents on the news.

Origin shares were down 9.5 cents, or 1.8 per cent, at \$5.095.

AAP