

# Genex's mega-hydro plan still afloat after govt gives green light

On September 21, 2018



Genex Power has won government approval to start building its flagship 250 megawatt pumped hydro project in far north Queensland.

The Etheridge Shire council — 530km north-west of Townsville — has given development approval for the hydro part of phase two of the group's "Kidston" project, which means it can start building in 2019.

The pumped hydro system is part of a broader 720 megawatt (MW) project which will also include two solar farms and a wind farm based around the old Kidston gold mine in north Queensland.

Pumped storage hydro is basically a giant water battery that stores electricity. The operation stores energy in the form of water in an upper reservoir, pumped from another reservoir at a lower elevation.

“The development approval is one of the last remaining milestones in the K2-Hydro permitting process which is required prior to financial close and then construction,” said Genex chief James Harding.



Energy

generated by the solar farm will be used to pump water from the lower to the upper dam. That water will later be released as ‘dispatchable power’ during peak demand.

Genex (ASX:GNX) is aiming to achieve funding close for the 250MW hydro and 270MW solar stage two section by the end of this year.

Stage three will be a 150MW wind project.

The ambitious project is backstopped by a \$516 million loan from the Northern Australia Infrastructure Facility (NAIF), and a 20-year revenue support deal with the Queensland government which has promised a financial top up if revenue from the stage one solar farm falls below a set level.

- Subscribe to our [daily newsletter](#)
- Bookmark [this link for small cap news](#)
- Join our small cap [Facebook group](#)
- Follow us on [Facebook](#) or [Twitter](#)

That support kicked in at the end of July for the 50MW stage one solar farm.

Australia had 5266MW of installed wind and solar generation by the end of 2017, according to the *Clean Energy Australia 2018* report by the Clean Energy Council.

The government’s Clean Energy Regulator says it has added 1950MW of accredited plants between January and the end of August.

Genex's shares were flat at 26.5c.



Genex shares over the last year.