

Townsville

## **Genex finalises power supply deal for \$700m Kidston hydro project**

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A \$700 million hydro-electricity project, providing more than 500 construction jobs, is set to go ahead in North Queensland after developer Genex Power finalised an energy supply agreement with one of Australia's largest energy companies.

Listed company Genex Power yesterday announced the offtake agreement with EnergyAustralia.

Genex will now look to secure finance and proceed with construction of the 250MW Kidston Pumped Storage Hydro Project at Kidston, 270km northwest of Townsville later this year.

The Federal Government's Northern Australia Infrastructure Facility is offering the project a concessional loan of up to \$610 million, while the Queensland Government has committed \$132 million towards the cost of a transmission line needed for the project.

Genex CEO James Harding said Kidston would be the first pumped storage hydro project to be connected to the National Electricity Market in almost 40 years and the first to be developed under private ownership.

He said the Energy Storage Services Agreement with EnergyAustralia would allow it to proceed to financial close, which it aimed to achieve as soon as possible.

"(The project) will create over 500 jobs during construction and deliver significant economic benefits to Queensland through providing reliable generation for the grid and applying downward pressure on wholesale electricity prices," Mr Harding said

Genex director Simon Kidston said Townsville would be the logistics and fly-in fly-out hub. "The majority of the fly-in fly-out (workforce) will come from Townsville and the surrounding region," Mr Kidston said.

"Also, Townsville port will be the main gateway for imported equipment."

Mr Kidston said the company wanted to secure finance by the September quarter, if not sooner, and have contractors, a joint venture between John Holland and McConnell Dowell, start work immediately after.

He said it had allowed for more time to reach financial close because of events surrounding the coronavirus pandemic but did not believe the project would be impacted.

The construction period was three and a half years, giving more time to secure equipment, while much of the initial work in earth moving, tunnelling and caverning was available in North Queensland, Mr Kidston said.

The project was set to proceed last year but stalled when EnergyAustralia balked at signing a 30-year power purchase agreement.

The agreement announced yesterday instead included an initial term of 10 years with two 10-year options to extend.

EnergyAustralia executive Ross Edwards said the development would provide much-needed reliability and security for the electricity market, as more renewables entered the system.