

News

Japanese power utility takes \$25m stake in NQ hydro project

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Japanese energy utility J-POWER has agreed to take a \$25m stake in the Australian company proposing the \$700m Kidston pumped storage project in North Queensland, supporting a start to development later this year.

The project, along with other wind and solar developments planned for the Kidston clean energy hub 270km northwest of Townsville, is expected to create up to 1000 jobs.

Genex Power announced the Share Subscription Agreement with J-POWER this week.

It follows a similar agreement last year which was terminated after financing for the hydro project had to be restructured when retailer EnergyAustralia baulked at finalising a power supply agreement.

EnergyAustralia has since signed a supply agreement under terms with shorter time frames.

Genex CEO James Harding said the J-POWER agreement was largely on the same terms as the original agreement, providing for a conditional investment of up to \$25m through a subscription for ordinary shares in Genex.

He said the agreement confirmed J-POWER as a long-term partner to finance and provide technical assistance for the hydro project, as well as work with them on other renewable energy projects.

J-POWER is a global expert in hydro-electric projects, including pumped storage.

“The investment by J-POWER secures the funding required for Genex’s equity component for the project,” Mr Harding said.

“The balance of the equity funding is to be secured via the project equity investor process, which is in the final stages as we continue to finalise the project financing arrangements with all our stakeholders.”

Project contractors include McConnell Dowell/John Holland (engineering, procurement and construction), ANDRITZ Hydro GmbH (electromechanical), Beon Energy Solutions (connection assets infrastructure), ISS Facility Services Australia (camp construction) and Hydro Tasmania (owner’s engineer).

Mr Harding said they aimed to secure finance in September and have “boots on the ground” next year.