

18 March 2016

Solar Boost project will not be completed

CS Energy has today announced that it will not complete the Solar Boost demonstration project located at its Kogan Creek Power Station near Chinchilla in South West Queensland.

The decision was made due to a number of technical and contractual difficulties encountered during construction and the resultant negative impact on the project's commercial prospects.

The Solar Boost project was to provide, in peak solar conditions, a 44 megawatt (MW) solar thermal addition to the 750MW Kogan Creek coal-fired power station.

The project commenced construction in 2011 and was designed to use AREVA Solar's Compact Linear Fresnel Reflector (CLFR) technology.

Work stopped on site in 2013 due to issues with the solar thermal addition boiler tubes. In August 2014, AREVA announced that it would withdraw its operations from Australia and exit the solar thermal business worldwide.

CS Energy's Chief Executive Officer, Martin Moore, said it was a commercially responsible decision to halt the project at this stage.

"The technical and contractual issues with the project resulted in lengthy delays and significant commercial problems," Mr Moore said.

"We examined all possible options for the project but determined that the responsible course of action is to close the project down.

"The solar thermal addition could not be commercially deployed without substantial financial investment – and there is no prospect of ever getting a positive return on that investment. The business case for this project simply no longer stacks up," he said.

Mr Moore said that Solar Boost was no longer the right project or technology to advance CS Energy's renewable energy future.

"The version of the technology in the Solar Boost project has become outdated in the years since the project's inception as a result of advances in CLFR technology.

"CS Energy will redirect its efforts to ensure that it is positioned to capitalise on the growing renewable energy market. We are already in discussions with a number of potential partners as to whether they could use the Solar Boost site."

ARENA CEO Ivor Frischknecht said ARENA's role was to support the development of new renewable energy technologies and, while not all would be successful, each added to the energy industry's knowledge and skills base.

"While it's disappointing the Solar Boost project will not proceed, CS Energy and ARENA are actively working together to ensure the Solar Boost project contributes to industry knowledge on solar thermal technology," Mr Frischknecht said.

“ARENA remains committed to the development and demonstration of solar thermal technologies in Australia and has a portfolio of active and completed solar thermal projects spanning from research and development to pilot-scale deployments.”

Mr Moore said that the decision to close the Solar Boost project would not result in any job losses and the Kogan Creek Power Station and mine will continue to operate at full capacity, which together employ around 150 people.

ENDS

Media enquiries

CS Energy media line	07 3854 7399
ARENA media	0410 028 899

About CS Energy

CS Energy is a Queensland energy company that has more than 400 employees, operates three power stations and has a trading portfolio of 4,035 megawatts.

CS Energy operates the 1,510 megawatt Callide Power Station near Biloela in Central Queensland, the 750 megawatt coal-fired Kogan Creek Power Station, near Chinchilla in South West Queensland and the 500 megawatt pumped storage hydroelectric Wivenhoe Power Station, near Esk in South East Queensland. CS Energy's coal resources include the Kogan Creek Mine.

The company is also party to the Interconnection and Power Pooling Agreement that entitles the company to trade the output of the Gladstone Power Station in excess of the requirements of the Boyne Aluminium Smelter.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the supply of renewable energy in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy. ARENA has a portfolio of more than 240 supported projects and is actively seeking new projects to fund in 2016. For more information, visit www.arena.gov.au.