

Australian Industry Participation (AIP) plan Summary - Operations Phase

1. Facility Details

Designated operator: Genex Power Limited

Facility name: Kidston Stage 2 (K2)

Description of the facility: Kidston Stage 2 (K2) will be comprised of two projects, 250MW Kidston Pumped Storage Hydro Project ('K2-Hydro') and the 270MW Kidston Solar Project ('K2-Solar'). Both K2-Hydro and K2-Solar will be owned and developed by publicly-listed renewable energy company Genex Power Limited ('Project Proponent') as the second phase of the development of the Kidston Clean Energy Hub ('Kidston Hub'). 250MW Kidston Pumped Storage Hydro Project: The Kidston Hub is located 270km NW of Townsville, utilising the abandoned Kidston Gold Mine as the foundation for the K2-Hydro project, with the mining pits acting as the upper and lower reservoirs. A new 275kV transmission line will be constructed to provide a connection point into the National Electricity Market ('NEM') for the Kidston Hub. This transmission line will be built, owned and operated by the Queensland State Governments transmission entity Powerlink Queensland. Energy produced from K2-Hydro and K2-Solar will be sent directly into the NEM. Genex Power has secured a long-term energy offtake agreement for K2-Hydro with EnergyAustralia. The Binding Energy Storage Services Agreement (BESS) was signed in March 2020 and provides the full operational dispatch rights for the K2-Hydro plant (including P&L) to EnergyAustralia in exchange for a fixed annual rental payment, escalating over time. The term is up to 30 years, with an initial term of 10 years and two options to extend (at EnergyAustralia's election) for a further 10 years each. Procurement of goods and services will occur through the Engineering Procurement and Construction ('EPC') Contractor. McConnell Dowell and John Holland ('EPC Contractors' or the 'Contractors') form a joint venture in developing the project. Procurement of primary goods and services was initiated in November 2018 through a competitive tendering process for electro-mechanical equipment packages from international Tier 1 hydro turbine suppliers that are capable of providing a bankable, high quality solution. Following this electro-mechanical equipment tendering process, procurement for other primary goods and services are scheduled to commence H2 CY2020, and construction to commence shortly thereafter. Kidston Stage two 270MW Solar Project: For K2-Solar, procurement of goods and services will occur through the EPC Contractor, UGL Ltd ('K2-Solar EPC Contractor'). Procurement of goods and services is expected to be initiated CY 2021. Collectively, K2-Hydro and K2-Solar have received up to \$9M in Federal Government funding from the Australian Renewable Energy Agency ('ARENA'). The operationally integrated K2-Hydro and K2-Solar projects have been classified as a project of Critical Infrastructure by the Queensland State Government due to the social, environmental and economic significance of the Kidston Hub. External to the requirements of the AIP Plan to promote full, fair and reasonable opportunity for Australian industry participation, the Proponent and the Contractors will undertake best endeavours to promote and include indigenous participation, with an emphasis on local indigenous employment and supplier opportunities. These best endeavours fall externally to the requirements of the AIP Plan and as such will not require any proposed actions or implementation under this plan.

Facility location: Kidston, Queensland Australia

Link to facility information:

Proponent: www.genexpower.com.au

K2H: <https://www.mcconnell-dowell.com/suppliers-subcontractors>

K2S: <http://www.ugllimited.com/contact-us>

Operator contact for procurement information:

K2H: Sean Hughes 0418 444 136 sean.hughes@mcdgroup.com,

K2S: David Liu 02 9474 3201 david.liu@ugllimited.com

Other operators involved in the facility: NA

2. Opportunities to supply Goods and Services

Expected opportunities	Opportunities for Australian entities	Opportunities for non-Australian entities
No opportunities anticipated for K2 during operations phase.	NA	NA

Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the facility contact.

Explanation for item(s) in list above where it is indicated 'No Opportunities for Australian entities'

NA – no opportunities anticipated for K2 during operations phase

3. Standards to be used in the facility

On the condition that key goods or services are required for the operational phase of K2H &K2S, the following will become applicable:

In order to provide full, fair and reasonable opportunity for Australian industry to supply key goods and services, the Contractors will use Australian standards whenever this is practically and economically feasible.

4. AIP activities to be undertaken by the Operator

On the condition that key goods or services are required for the operational phase of K2H &K2S, the following will become applicable:

Mailing List Distribution:

Once the procurement scope has been finalised, the Proponent will distribute an email to all recipients on the corporate mailing list which comprises 500+ personnel in the renewables and storage industry, including but not limited to; local councils, domestic and international suppliers and other stakeholders/personnel interested in the Proponent's Projects.

This email will specify the registration process for those intending to supply key goods and services for K2, with links to the Contractors' webpages. In addition, the email will encourage email recipients to pass on this information to known suppliers in the domestic market in order to reach a larger audience than those on the active mailing list.

Letter to Queensland Local Councils:

The Proponent has a strong relationship with the immediate local council (Etheridge Shire Council) and several regional councils in Northern Queensland. The Proponent has assured these councils that notification will be given once employment and supplier opportunities become available for K2.

A letter will be sent to these councils specifying that supplier opportunities are available, outlining the registration process for suppliers of goods and services for K2 and provide webpage links to the Proponents webpage and the Contractors' webpages.

Councillors and Mayors will be able to distribute this knowledge accordingly with the intention to create awareness of the opportunities available for local, domestic suppliers, particularly for those in rural communities where awareness and knowledge of potential opportunities may be limited.

Social Media Publication:

Once the procurement scope has been finalised, the Proponent will distribute notification to all social media subscribers (over 1,000 subscribers) that opportunities to supply key goods and services for K2 are available. Each publication across the Proponent's various social media platforms will provide web links to the Proponent's webpage. At these links, suppliers will find information about the procurement processes in addition to links to the Contractors' webpages.

5. AIP activities to be undertaken by procurement entities

On the condition that key goods or services are required for the operational phase of K2H &K2S, the following will become applicable:

Use of Contractors' Webpage Procurement Portals

Webpage procurement portals have been established by the Contractors in order to meet the necessary components and requirements of this AIP Plan. The portals allow for direct communication between suppliers and the Contractors.

Once the procurement scope has been finalised, the Contractors will publish supplier opportunities for key goods and services via its webpage portal system.

Once opportunities have been published, the webpage portal will allow suppliers and subcontractors to express interest on packages. The Contractors will be able to identify suppliers/subcontractors who are commercially competitive, competent and meet the necessary standards resulting in full, fair and reasonable opportunity for Australian industry participation.

Industry Bodies:

The Proponent and the Contractors will maintain memberships, both directly and indirectly, with a number of industry networks.

The Proponent and the Contractors will seek information through these industry networks to keep up to date with industry developments as well as the new and innovative domestic suppliers who are entering the Australian market.

The Proponent and the Contractors will also use these industry bodies to publicise K2, the opportunities available and information on how to register interest.

Newspaper Publications (K2H EPC Contractor Only):

Once the procurement scope has been finalised, the K2H EPC Contractor will publish information about the project, information about supplier opportunities and the process suppliers should take to register expressions of interest in the project (i.e. which webpage links to go to) through various state- and national-based newspaper publications.

Examples of these publications and their average audience are as follows:

- Cairns Post; average 73,000 readers
- Townsville Bulletin; average 89,000 readers
- Courier Mail; average 588,000 weekday readers & average 1.2M weekend readers
- The Australian; average 560,000 print readers, 80,000 mobile visitors, 23,000 app visitors, 1.214M digital visitors

Using these resources will allow the K2H EPC Contractor to reach a wide audience, both local and domestic.