GENEX POWER LIMITED (ASX:GNX)
Level 12, 35 Clarence Street, Sydney NSW 2000
GPO Box 2180, Sydney NSW 2001
ABN: 18 152 098 854

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ASX Announcement

Bouldercombe Battery Project – Commissioning Update

Genex Power Limited (ASX: GNX) (Genex or the Company) advises of an update to the commissioning program for its 50MW/100MWh Bouldercombe Battery Project (BBP or the Project) following a minor fire incident as announced on 27 September 2023.

Site and Root Cause Analysis Activities

On 26 September 2023, one of the 40 Megapack units caught fire at 7.32pm AEST toward the end of a discharge cycle. No-one was on site at the time of the incident. On advice from Queensland Fire and Emergency Services and established protocols the low intensity fire was allowed to burn out with no water required to be used on the fire itself. On 28 September 2023, Genex re-energised the site and subsequently completed a charge of 5MW for approximately 1 hour across 36 Megapack units on the evening of 28 September 2023.

Genex has since been working with Tesla Motors Australia Pty Ltd (Tesla) and other stakeholders to investigate the root cause of the incident. Tesla has been undertaking preliminary root cause analysis (RCA) via remote diagnostics since the time of the event. On 13 October 2023 the affected Megapack was transported to a testing facility in Melbourne to complete further RCA via physical inspection, which has now concluded.

The preliminary RCA indicates that a fault occurred on the AC side of the Megapack unit. The fault then propagated to the battery modules within the Megapack. The burn of the Megapack followed design and certification testing expectations under UL9540A, with no external water required, and no propagation of the active fire to adjacent Megapack units or balance of plant.

The failure has been isolated to the power electronics interface with the AC bus bar in the individual Megapack unit itself and not the broader installation of Megapack units. In order to mitigate against a further event, Tesla will be undertaking replacement of two identified power electronics units and out of caution, physical inspection of the power electronics within the remainder of units at the Project site. Genex will also be implementing upgrades to breaker control setting response times to further mitigate against a potential future event.

The full RCA report is intended to be made publicly available by Tesla when finalised.

Commissioning Update

Concurrent with Tesla's remediation works, Genex and its contractors are now preparing the site for re-energisation to complete the final commissioning tests and to commence operations under the Autobidder Offtake Agreement with Tesla. Following further diagnostic analysis, Tesla has advised that the Megapack unit adjacent to the impacted Megapack has suffered some minor thermal damage to its electrical insulation. Out of caution, the final tests and operations will therefore recommence utilising 38 of the 40 Megapack units. This final commissioning is expected to be completed and operations to commence by mid-November 2023. Tesla will provide 2 replacement Megapack units which have been shipped and are expected to arrive and complete installation and final testing in early December 2023.

The RCA analysis and Megapack replacement is being undertaken at Tesla's full cost.

Genex anticipates that it will provide further updates to the market as the final stages of the commissioning program are undertaken and completed.

This announcement was approved by the Chief Executive Officer of Genex Power Limited.

FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

For investor enquiries please contact:

Craig Francis

Chief Executive Officer
Tel: +61 2 9048 8850
Email: cf@genexpower.com.au

For media enquiries please contact:

Helen McCombie

Citadel Magnus
Tel: +61 411 756 248
Email: hmccombie@citadelmagnus.com

About Genex Power Limited

Genex Power Limited has a portfolio of more than $1 billion of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (KS1) and the 250MW Kidston Pumped Storage Hydro Project (K2-Hydro) with potential for further multi-stage wind and solar projects. The 50MW Jemalong Solar Project (JSP) is located in NSW and provides geographical diversification to Genex's portfolio. JSP was energised in December 2020 and is now fully operational. Genex's first battery energy storage system, the 50MW/100MWh Bouldercombe Battery Project (BBP) located in Central Queensland achieved energisation in June 2023. With a committed portfolio of 400MW and up to approximately 2.25GW of renewable energy and storage projects in the Company's development pipeline, Genex is well placed in its strategy to become a leading renewable energy and storage company in Australia.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (ARENA), the Northern Australia Infrastructure Facility (NAIF) and the Queensland State Government.