



Sun Cable key player's doubts on Fortescue

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Body

A key player in Mike Cannon-Brookes' \$40 billion Sun Cable venture says big renewables projects in Australia will struggle to overcome "nimbyism" and a lack of resolve from governments.

Quinbrook Infrastructure Partners managing director David Scaysbrook questioned the investment returns on the latest round of big wind and solar farm transactions struck at big prices.

He also raised doubts about the feasibility of **Fortescue**'s stalled Gibson Island green hydrogen and ammonia project in Brisbane.

Quinbrook is charged with building the solar farms and transmission lines into Darwin associated with Sun Cable in the Northern Territory.

Mr Scaysbrook said location was everything in renewables, with the cost of delivery into constrained networks "astronomically higher".

Gibson Island simply couldn't access the cheapest renewable power because of its location, he argued.

"They're going to have to pay to transmit power all the way to Gibson Island through the high voltage system in Brisbane, and so paying full freight on all the transmission and distribution," he said.

Fortescue has said it is in talks with the Queensland and federal governments about the Gibson Island project's future and that Australia "suffers structurally high green electricity costs".

The other challenge for renewables providers is nimbyism, which will only get worse in more populated parts of Australia, Mr Scaysbrook said.

"Community acceptance is fundamental to getting your project going because governments don't have a lot of spine, and they actually don't have a lot of ability to do anything about resolving community opposition," he said. "It is becoming more acute now because the scale of the wind or solar farms that we are talking about now is greater

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than anything we have seen before. The scale of the projects we are doing now is 10-fold bigger than they were even five years ago."

Quinbrook remains agnostic about the cable side of Sun Cable - a 4200-kilometre undersea transmission cable that would connect Darwin and Singapore - and is focused on delivering its end of the bargain in the form of giant solar farms and onshore transmission infrastructure. It is working with potential customers within the NT government's Middle Arm Sustainable Development Precinct adjacent to the port, where **Fortescue** and French oil and gas major Total have been allocated land for green hydrogen projects. Mr Scaysbrook said if Mr Cannon-Brookes' Grok Ventures succeeded with the cable component to Sun Cable, Quinbrook would build more solar capacity to meet the extra demand.

"Our job is to lead the development, and then we have an option to invest equity in the onshore component.

"Once we can prove up the delivered cost of renewable power into the MASDP, and we're getting closer to being able to do that, then we can say to industry that wants to locate there, 'this is what your power cost is going to be', remembering that just one of these factories will consume two to three times more power than the NT currently produces."

Last year, the NT government set aside land at the Middle Arm precinct for **Fortescue** and Total as well as Beetaloo Basin gas field developer Tamboran Resources, vanadium play Tivan and phosphate-focused Avenira.

Mr Scaysbrook said Quinbrook was focused on the NT and north Queensland, where it's looking for backers for a \$10 billion polysilicon plant at the Lansdown eco-industrial precinct in Townsville that would supply solar panel manufacturers.

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