

# AGL secures right to turn mine into pumped hydro

## [Resources & Energy](#)

Australian energy generator AGL has secured the right to develop, own and operate a 250-megawatt pumped hydro energy storage project at Hillgrove Resources Limited's Kanmantoo copper mine in the Adelaide Hills region of South Australia.

[Andrew Spence](#)

[Print article](#) [Republish](#) [Notify me](#)



The contract allows AGL to transform the Kanmantoo open pit mine into a pumped hydro facility while Hillgrove will retain processing and mining rights outside the Giant Pit.

AGL's Executive General Manager of Wholesale Markets Richard Wrightson said the signing of binding agreements was the start of a multiple stage process to progress the project, including the lodgement of a development application in 2020.

"If we proceed and the project is approved, it would be an important addition to our technology mix in South Australia, where we have significant wind and thermal generation," he said.

“It would help us to meet the changing needs of the South Australian energy market, in which energy storage assets are likely to be needed to provide dispatchable capacity as renewables generation increases over coming years.

“If all approvals are received, we expect the project to be complete and operating by 2024.”

AGL would buy the land required for the project from Hillgrove shortly after a final investment decision, which is expected to be made following the completion of processing at Kanmantoo as early as this year.

The Hillgrove Kanmantoo mine sits between Mount Barker and Murray Bridge, about 50km east of Adelaide and has been back in operation since 2010 following initial production from 1970 to 1976.

Hillgrove CEO Steve McClare said the project would benefit the state, which already had a strong reputation for renewable energy and successful storage projects.

“The trust, support and growth of the community around Kanmantoo has been deeply valued by us and we are pleased to have found a solution that will continue to bring economic benefits, not just to the local community, but to South Australia more broadly,” he said.

South Australian Chamber of Mines and Energy (SACOME) Chief Executive Officer Rebecca Knol said Hillgrove should be commended for its creative and forward-thinking approach to post open pit mining.

“This solution is one that takes advantage of the unique topography & geology and will provide an ongoing economic contribution to South Australia,” she said.

“This is a company that had gone above and beyond legal requirements throughout the life of the mine and again they are raising the bar post closure.

“Hillgrove provides a real example of the positive contributions mining companies can make to the communities in which they operate.”

South Australia leads the nation in the uptake of wind energy and roof-top solar with renewable sources accounting for more than 50 per cent of the electricity generated in the state. It is also the home to ‘world’s biggest battery’, which was famously installed by Elon Musk’s company Tesla at Neoen’s Hornsdale wind farm in the state’s Mid North in December 2017.