

GOING WITH THE FLOW



> Snowy Hydro's water licence

Snowy Hydro does not own the water—the Government does.

The Snowy Water Licence is set up to facilitate annual water releases for water users, environmental flows and flexibility for electricity generation.

The regulation of Snowy Mountains Scheme water operations is totally independent of Snowy Hydro – the business.

The water regulatory arrangements are clearly defined and legally enforceable.

In relation to the water captured by the Snowy Mountains Scheme, the arrangements strike the right balance between the competing needs of electricity generation and provision of National Electricity Market services by the Scheme on the one hand, and the environmental and irrigational interests downstream on the other.

The Licence dictates that Snowy Hydro must make minimum annual water releases to the River Murray and Murrumbidgee catchments.



> RIGID RULES, REGULATIONS AND LEGAL OBLIGATIONS

Snowy Water Licence

The water operations of the Snowy Mountains Scheme are regulated by the Snowy Water Licence.

The licence is a robust regulatory regime that governs Snowy Hydro's rights and obligations regarding the collection, diversion, storage and release of water from the Scheme.

Issued under Part 5 of the *Snowy Hydro Corporation Act 1997 (NSW)* (NSW Corporatisation Act), the licence is intended to give effect to the provisions of the *Snowy Water Inquiry Outcomes Implementation Deed (SWIOD)*, an agreement between the three shareholder Governments that arose out of the Snowy Water Inquiry in 1998.

> Water Facts

- Snowy Hydro does not own the water stored in the reservoirs, lakes and rivers, the water belongs to the state of NSW.
- Snowy Hydro only has the right to collect, divert, store and release water in accordance with the terms of the Snowy Water Licence.
- The provisions contained in the Snowy Water Licence reflect those agreed to by the NSW, Victorian and Commonwealth governments at the time of Corporatisation in 2002.
- The Snowy Water Licence is a legally enforceable document.
- Under the terms of the Snowy Water Licence, Snowy Hydro is required to release an amount of water annually into the River Murray and Murrumbidgee River and into the Snowy and Montane rivers for environmental flows.
- Snowy Hydro does not directly control the final release of this water to the irrigators. Snowy Hydro simply delivers the required amount of water to storages at Hume Dam on the River Murray and Blowering Dam on the Murrumbidgee River for release by the Murray Darling Basin Commission (MDBC) and NSW State Water, respectively.
- The NSW Department of Water and Energy determines the amount and timing of environmental flows to rivers, including the releases from Jindabyne Dam into the Snowy River.

> Snowy Mountains Scheme water releases

There are four drivers to Snowy Mountains Scheme water releases:

1. **Regulatory:** to meet the water release requirements prescribed in the Snowy Water Licence.
2. **Electricity Generation:** to generate electrical energy from the Scheme.
3. **Physical:** to effectively manage inflows and storage levels to minimise spill.
4. **Operational constraints:** to effectively manage physical limitations in the Scheme.

Electricity generation is inseparably linked to Snowy Mountains Scheme water releases because the only practical way to release water from the Scheme is by generating electricity through the Scheme's turbines.

> Snowy Hydro's water rights

The Snowy Water Licence confers the following rights on Snowy Hydro:

1. The right to collect all water from the rivers, streams and lakes within the Snowy Water Catchment,
2. The right to divert that water,
3. The right to store that water,
4. The right to use that water to generate electricity and for purposes that are incidental or related to the generation of electricity, and
5. The right to release that water from storage:-

in each case in accordance with the terms of the Snowy Water Licence. Snowy Hydro's rights are subject to the rights of certain other occupiers to take and use water (for example, local councils).

