Snowy Hydro Limited

Snowy Scheme Water Storages Update

7 March 2007

Q) Why are the Snowy Scheme water storages so low?

A) Much of this country and in particular south eastern Australia is suffering from the effects of the major drought sequence that has been occurring since 1996. Like all water storages across south-east Australia, the water storage levels of the Snowy Scheme are not immune and are also suffering.

Some facts on the current drought and its impact on Snowy Scheme storages are:

- The current drought sequence is now longer than the previous worst dry sequence which occurred from 1936 to 1946;
- Snowy Scheme water storage levels are currently at their lowest March level since the Snowy Scheme was completed in 1973;
- Our main water storage, Lake Eucumbene is at its lowest level since construction;
- Water inflows have continued to be only around 25% of long term average;
- Water inflows during the last 10 months were significantly below the previous lowest ever minimums – minimums recorded over 101 years - and were worse than could have been anticipated;
- The impact of the current drought on Snowy Scheme storages has resulted in the Snowy Water Licence dry inflow sequence provisions being activated.

Unfortunately, the recent rains in the Monaro area were not sufficient enough in our catchment area to significantly impact Snowy Scheme water storages.

Because of the extremely low water inflow pattern over the last 10 years, water levels in Snowy Scheme storages have steadily decreased since 1997 and are currently around 12% of active capacity.

Q) What are the expected water levels into the future?

A) It is difficult to predict the extent or length of the current drought sequence that is affecting Snowy Scheme water storage levels. Unfortunately, under these difficult drought conditions water levels at all Snowy Scheme storages have continued to drop.

Water levels in Snowy Scheme storages are dependent on a number of factors including the amount of water inflows from rain or snow (in winter) and the demand for water for farms, townships, electricity and the environment.

In order to meet the needs of all Snowy water stakeholders and if the current drought conditions continue then it is expected that by the end of April 2007, Lake Jindabyne water levels may drop a further 1.6 m to around RL 896.1 metres and Lake Eucumbene water levels may drop a further 1.4 m to around RL 1123.8 metres.

The Bureau of Meteorology has advised that the recent end to the 2006-07 El Nino “should not be seen as a precursor to drought-breaking rains” and they have suggested that we can only be “cautiously optimistic that there will be a general easing of dry conditions in drought-affected areas over the next one to two seasons.”

With no forecast improvement to water inflows in the foreseeable future Snowy Hydro must act prudently to ensure that the water which remains in the Snowy Scheme is used in a balanced way for all stakeholders and that water is conserved for this coming winter and next summer.

Q) How is Snowy Hydro managing the water in the Scheme?

A) In order to best use the limited water resources that remain in the Snowy Scheme prudently for all stakeholders Snowy Hydro is recycling water through its Tumut 3 Power Station at Talbingo. This means that during the day when Tumut 3 Power Station is required to generate electricity, water levels in Talbingo Reservoir will drop as water passes through Tumut 3 Power Station and flows into Jounama Pondage raising its water level.

At night the reverse will occur, water levels will drop in Jounama Pondage as water is pumped up through Tumut 3 Power Station back into Talbingo Reservoir where water levels will rise and be stored for when it is required for electricity generation. Accordingly, for most of the time we aim to keep water levels in Talbingo Reservoir near full.

In addition, prudent investment by the company, in Victoria in recent years, means that we now have over 600 megawatts of gas fired generation plant that can be substituted for hydro generation thus conserving water for when it is needed most.

Q) Why have water releases from Khancoban Pondage into the Swampy Plains River been reduced and why do they sometimes fluctuate?

A) Achieving the balance that the Snowy Scheme has traditionally achieved between the sometimes competing water demands for farms, townships, electricity, the environment and recreational users is now acutely problematic. Snowy Hydro continues to find ways to meet these demands as best it can.

Control of water releases from Khancoban Pondage into Swampy Plains River is an example of the careful balance that under the current drought situation must be achieved.

While water releases from Khancoban Pondage into Swampy Plains River will normally remain low (between 1 to 5 cubic metres per second) there may be times when it is necessary to significantly increase flows (up to 100 cubic metres per second) to allow for increased generation from the Snowy Scheme.

This will normally occur when the Snowy Scheme is required to provide additional electricity to the National Electricity Market under hot weather or system support conditions.

Up to date information on water release flows into the Swampy Plains River can be obtained on the recorded Khancoban Pondage water release information line on (02) 6453 2098.

As the water levels in Khancoban Pondage may drop, residents and lake users are advised to take extra care and be aware of visual and submerged obstacles, sandbanks and navigational hazards if they choose to use the Pondage for recreational uses.

Q) How can we get up to date information on lake levels and water releases from Snowy Scheme dams?

A) Snowy Hydro has established a website based water resources information service so that the public have access to up to date information on water resources data relating to the Snowy Mountains Scheme.

The new service can be accessed via the homepage on the Snowy Hydro website at www.snowyhydro.com.au. It provides up to date information on lake levels, snow depths, Snowy Scheme inflows and releases into local rivers including the volume of environmental releases into the Snowy River from Jindabyne Dam.