snowy hydro Limited
renewable energy

media release

Date: 29th March 2007

Subject: **Snowy Hydro provides water security during worst drought**

To ensure that water security is maximised for all stakeholders including irrigators, farms, town water supplies, the electricity market and the protection of environmental flows for as long as possible, Snowy Hydro is employing a water conservation strategy of recycling water through its largest power station Tumut 3 and using its gas fired power stations located in Victoria.

Contrary to reports that appeared in today's media, the use of Snowy Hydro gas generation plants in Victoria is fundamental to this overall environmentally beneficial strategy. Also contrary to what was reported in today's media, Snowy Hydro did not exceed its Renewable Energy baseline in 2006 and thus did not create Renewable Energy Certificates.

Snowy Hydro spokesperson, Paul Johnson said: "We are somewhat surprised by the "outrage" feigned by the brown coal and other gas fired producers of electricity in Victoria."

"It is interesting to note that our gas plants in Victoria create far less emissions than emissions created by brown coal generators which have no operating restrictions. One must ask the question, if there are no operating restrictions placed on brown coal generators which produce twice the emissions of gas plants, why place restrictions on gas plants ?"

"In addition, Snowy Hydro and AGL gas plants are the only gas plants in Victoria with a 10% operating capacity restriction. Other competitors are not subject to the rules that are imposed on Snowy Hydro and AGL."

Water storages in the Snowy Scheme are at their lowest level since construction and water inflows are the lowest recorded since records are available, going back 105 years. It is appropriate that Snowy Hydro be encouraged to maximise the use of gas fired generation.

Snowy Hydro spokesperson, Paul Johnson said: "With no forecast improvement to water inflows in the foreseeable future Snowy Hydro must act prudently to ensure the water which remains in the Snowy Scheme is used in a balanced way for all stakeholders including the environment."

"Recycling of water through our Tumut 3 Power Station to generate peak electricity when the consumers demand is highest, is an efficient use of a scarce resource for the benefit of all stakeholders."

Snowy Hydro produces around 4500 gigawatt hours each year of renewable energy from the Snowy Mountains Scheme, energy that displaces around 4,500,000 tonnes of greenhouse gases that would otherwise be produced from coal burning power stations. The 3756 megawatts of the Snowy Mountains Scheme are supplemented with the 620 megawatts of gas fired generation, a greenhouse gas technology with emissions far less than that of brown coal generators.

Mr Johnson added: "Even though water levels are low in our storages, Snowy Hydro will continue to meet its electricity obligations and water release requirements under the Snowy Water Licence."

For more information, please call:
Paul Johnson
Snowy Hydro Limited
(02) 9278 1888