

Snowy Hydro Limited

Snowy Scheme Water Storages Update

4 April 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 April level since the Snowy Scheme was completed in 1973;
- Our main water storage, Lake Eucumbene is at its lowest level since construction;
- Water inflows are only around 30% of long term average;
- Water inflows during the last 11 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.

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 10% 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 and will continue to drop, if the impact of the drought lasts.

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 / mid May 2007, Lake Jindabyne water levels may drop a further 1.2 m to around RL 896.1 metres and Lake Eucumbene water levels may drop a further 1.8 m to around RL 1122.0 metres.

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) 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.

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. While our gas plants in Victoria create far less emissions than emissions created by existing brown coal generators.

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.

Q) How is Snowy Hydro assisting Snowy River Shire Council in maintaining water supplies to towns that draw water from Lake Jindabyne ?

A) Snowy Hydro Limited and Snowy River Shire Council have established a Joint Technical Working Group to examine options for the ongoing water supply to townships presently supplied from Lake Jindabyne.

The Joint Technical Working Group is purely a precautionary measure being undertaken by Snowy Hydro and Snowy River Shire Council to ensure the continual water supply to townships should the current severe drought conditions continue.

The Group will look at various options including the lowering of town water pumps and remedial works to ensure the ongoing supply of water to townships that source their water from Lake Jindabyne.

While there is no immediate threat to town water supplies Snowy River Shire Council must act prudently and formulate options in case the current drought conditions continue.

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.