

Snowy Hydro Limited

Snowy Scheme Water Storages Update

11 May 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 May level since the Snowy Scheme was completed in 1973;
- Our main water storage, Lake Eucumbene is at its lowest level since construction;
- Water inflows for the last 12 months are only around 25% of long term average;
- Water inflows during the last 12 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 8% of active capacity.

Q) What are the expected future water levels for Lake Jindabyne and Lake Eucumbene?

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 drought persists.

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/spring) and the demand for water for farms, townships, electricity and the environment.

In order to meet the needs of all Snowy water stakeholders including environmental releases and if the current drought conditions continue, then it is likely that Lake levels will continue to drop, possibly to below original Minimum Operating Levels.

Snowy Hydro is looking at ways to operate the Scheme in order to maximise its efficiency and to provide for additional water for irrigation and electricity generation under these exceptional drought conditions.

It is very difficult for anyone to accurately predict future weather patterns and associated water inflows. However, if the current drought conditions continue and we have another bad winter, as bad as last year when snowpack provided little spring runoff, Snowy Hydro believes that it can meet its water and electricity commitments this coming winter and into next summer.

Q) Will the Snowy Scheme shut down operations when it reaches 9% of capacity?

A) Unfounded speculation that Snowy Hydro will need to shut down its generators if Snowy Scheme storages reach 9% of capacity is totally incorrect. In fact, Snowy Hydro is operating its generating plant quite comfortably at around that water storage level now and can continue generating at even lower levels.

Snowy Hydro has undertaken a number of prudent water conservation and management strategies over the last few years to ensure that the water that remains in the Snowy Scheme is used to obtain the best result for all stakeholders. These strategies include:

- the use of over 600 MWs of gas fired generation plant in Victoria;
- the recycling of water through its largest power station Tumut 3; and
- winter cloud seeding program to increase water inflows from increased snowfalls.

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.