

November 2016

# snowyhydro

## NEWS

### **In this edition:**

- *Snowy Hydro - keeping the lights on in NSW*
- *Red Energy - 110% Australian*
- *Community Feedback 2016 - what you told us*
- *Working with NPWS to make our roads safer*
- *Heritage Listing of the Snowy Scheme*

ISSUE 35

# Snowy Hydro: Keeping the lig



**CEO, Paul Broad, weighs in on the recent blackouts in South Australia and the implications for the National Electricity Market...**

Australia has been blessed with relatively cheap energy and we have grown as a nation as a result of it. A key part of that growth has been having enormous renewable resources such as Snowy and Hydro Tasmania, which have played an integral part in keeping the lights on with our reliable, fast-start responsiveness to the market. Equally so, in Snowy's case, we provide more than 32 per cent of all renewable energy that is produced in this country. This clean, efficient and renewable energy continues to help light up homes and businesses in the Eastern states including South Australia and Tasmania.

The Snowy Scheme was visionary in its day and is an important part of our nation's history. It was an amazing engineering success to make true the vision to collect and move water east to west and into the growing food bowl of Australia and to pay for it through electricity generation. This is still the vision we have today, but we have evolved over the years through innovation and diversification, and have gone beyond what our founding fathers had envisaged.

The modern Snowy Hydro operates a complex, integrated end to end energy business, which we are immensely proud of.

We continue to be the proud custodians of water that is collectively owned by the people of NSW and Victoria, and manage it under a strict Water Licence regime. Water in the Scheme plays a critical role as it not only underwrites the production of agricultural products worth around \$3 billion each year, but through the Water Licence it also assists with counteracting the effects of severe droughts and improving productivity in the Murray Darling Basin. We are the leading provider of peak, renewable energy in the country. We also provide price risk management products for wholesale customers in the NEM and through Red Energy and Lumo, we deliver electricity and gas to homes and businesses. Finally, our ability to utilise the Scheme's large, reliable, flexible and fast-start capability to our advantage also means that we play a critical role in keeping the lights on and are best placed to provide black start capability. It is disappointing that some regulators do not see it that way, given we are not currently part of AEMO's contracted black-start arrangements, despite previously providing the service for many years and dedicating resources to respond quickly and safely.

On the recent statewide blackout in South Australia, I cannot help but reflect that if South Australia was fully interconnected with NSW, then the lights would



# Lights on in NSW

have never gone out. The NEM has delivered very robust and efficient outcomes and, if left to its own devices, can deliver affordable energy to consumers drawing on the most efficient and effective means of generation to meet demand. But regulatory intervention and second best policy choices can often create problems, as they are now, by creating distortions in the market for which end-users ultimately pay the price. This is not the time to be picking winners or imposing solutions, but rather a time to trust the market to do what it does best. A more sensible approach could ensure we maintain a secure, reliable, affordable energy system while at the same time reducing emissions through a market based mechanism.

At Snowy we recognised that the uncertainty put into the NEM by knee-jerk reactions will be a challenge for the future and that Snowy will play integral role in filling in the gaps when the wind is not blowing and the sun is not shining, particularly in NSW. In the wake of South Australia, we are urging governments and regulators to ensure that there are proven, reliable 'black-start' arrangements in place across the country to both keep the lights on and to ensure they are turned back on quickly in the event that things go wrong.

Snowy has always played a critical role in keeping the lights on, from our earliest days. Our contribution to the nation since construction began in 1949 was formally recognised in October when the Commonwealth Government added the Snowy Scheme to the National Heritage List. The addition to the National Heritage List is recognition of our

important place in Australia's history and the contribution we have made to the social and economic fabric of the country. It's an important nod to our past and helps new generations to appreciate the sacrifice and skill of the many thousands of Australians and new arrivals who helped build the Snowy Scheme. Importantly, the listing does not impact on our important operations nor on our ability to operate, modernise and upgrade the Scheme for the benefit of future generations.

As 2016 draws to a close, at Snowy Hydro we have had another successful year across both our retail and generation businesses. This time last year we were reflecting on the contribution made by the expansion of our retail energy business (with the acquisition of Lumo and Direct Connect) and the addition of the gas fired power station at Colongra to our generation portfolio. Those acquisitions (in late 2014 and early 2015) have paid off through their contribution to our financial performance and management of our exposure to transmission risk, should our Snowy Scheme assets become constrained if lines went down into Sydney or Victoria. 2016 has also been about consolidation and growth. For the first time in the company's history we made more than \$2 billion in revenue, we recorded more than \$500 million pre-tax profit and hit the significant milestone of more than one million retail customers.

Finally, as always, I would like to thank you for your support for Snowy Hydro this year. We look forward to sharing more news about our business in 2017. On behalf of everyone who works for Snowy Hydro, I wish you a safe, prosperous and happy festive season.



# 110% Australian

**Snowy Hydro's ownership of Red Energy is what makes it Australian owned, but sharing the values and heritage of one of the world's greatest civil engineering innovations is what makes Red Energy 110 per cent Australian...**

Red Energy has been a part of Snowy Hydro for more than a decade and we wanted to share some of the inspiring stories of the people who made the Snowy Mountains Scheme possible and those who continue to generate renewable energy for everyday Australians.

In a recent advertising campaign launched across the Snowy Mountains region, Red celebrates the commitment of former Snowy Scheme worker and Cooma local Charlie Salvestro and current Snowy Hydro Upper Tumut Area Manager and Tumut resident, Kent Allen. Using roadside signage, local newspapers and television ads, we are bringing the local Snowy story - and great offers on your electricity and gas - to the residents of the Snowy Mountains.

In 1954 Charlie, at the age of just 16, took the bus from Cooma to Guthega to ask for a job moving mountains to build the Snowy Mountains Scheme. Getting the job didn't come easy. Charlie fronted the Norwegian employment officer every day until he finally gave him a job on the Guthega Inlet. Then the real hard work began. On and off for over ten years he worked in often freezing temperatures miles from anywhere.

Charlie was one of the 100,000 workers who worked on the Scheme over the 25 years of hard slog it took to hollow out mountains of granite.

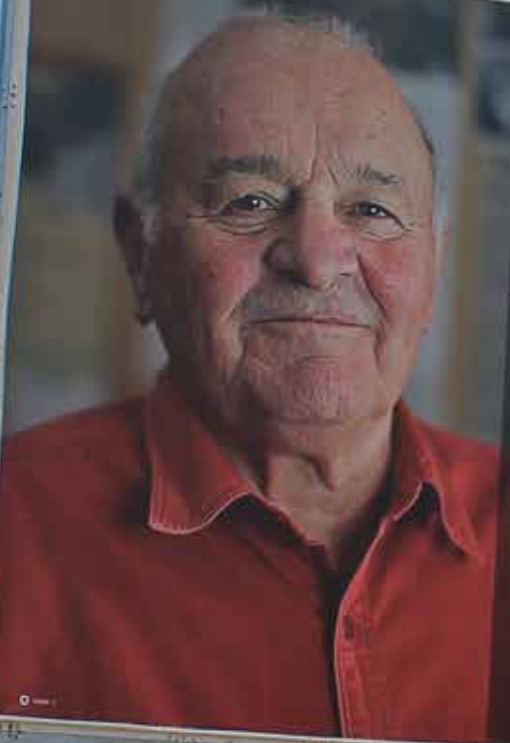
As a current Snowy Hydro employee, Kent continues that proud tradition, as do all of the employees of Snowy Hydro and Red Energy. At Snowy Hydro and Red, giving 110 per cent is in our DNA. That's why we think the people of the Snowy Mountains region deserve fair prices, genuine discounts and local award winning customer service.

And that's why we're proud to be able to offer electricity and gas with the same great Aussie service and value for homes and businesses throughout the Snowy Mountains region.

Find out more about Red's great rates and offers:

Call 131 806 or visit [www.redenergy.com.au](http://www.redenergy.com.au)





Genuine people deserve  
**genuine discounts.**



Powered by  
**snowyhydro**

**131 806**



# Community Feedback 2016

## What you told us...

**Thank you to the more than 500 Snowy Mountains residents who took part in the biennial Snowy Hydro Community Survey. Read on to hear some of the results...**

As a major employer in the region and with the heart of our operations - the mighty Snowy Scheme - operating in the Snowy Mountains, it's important that we hear the views of the people who live in this region.

We acknowledge that phone calls at home may have inconvenienced some of you, however we are grateful to those who took ten minutes to participate in the survey to help us continually improve our community relations and communication initiatives.

We have conducted the community survey every second year since 2006, giving us a decade of data on community attitudes towards Snowy Hydro over that time. The survey helps to tell us what the community thinks on important issues around water, community investment and our operations.

The 2016 survey continues to show that Snowy Hydro has a strong image and community presence in the Snowy Mountains region. We are well respected for both our social and financial contribution to the communities we operate in.

A strong majority of residents are familiar with our operations and the three statements that most respondents associate Snowy Hydro with are:

- 82 per cent: Generation of electricity/generation of renewable energy
- 81 per cent: Water storage and supply to downstream irrigation dams

- 81 per cent: Energy retailer (Red Energy)

Respondents strongly link Snowy Hydro's commercial success as linked to the social and economic vibrancy of their own communities:

- 79.3 per cent: A successful Snowy Hydro is important to the local economy
- 76.5 per cent: It is important for [my town] for Snowy Hydro to be a commercially successful business
- 75.3 per cent: Snowy Hydro is part of the local community
- 75.1 per cent: Snowy Hydro benefits [my town] in ways that are not just financial
- 74.2 per cent: Snowy Hydro maintains the Scheme well

Residents told us that they continue to appreciate this newsletter with 78 per cent receiving the newsletter and 94 per cent of those who receive it, reading it each quarter. It's also pleasing that so many respondents are aware of the events and causes that Snowy Hydro is involved with such as the Cooma Universities Centre, the Snowy Ride and local festivals and events.

We will consider the results of the survey and look at ways of improving our services to the community in the future.





# Snowy Hydro & Kosciuszko National Park

working together to make our mountain roads safer for all...



We have committed to a joint safety initiative across the Snowy Mountains Region to make our mountain roads safer for all travellers. **Manager Environment, Charlie Litchfield, outlines the initiative...**

Snowy Hydro and Kosciuszko National Parks (KNP) have been working together since the 1940's in the Snowy Mountains.

While the work each organisation does differs, our people spend a lot of time travelling both the outlying tracks and main roads and this brings with it the need to be constantly aware of conditions and other users we share the roads and trails with.

In the last few years there have been some accidents and near misses that have motivated both Snowy Hydro and National Parks and Wildlife Service to get together to work on improving safety on the roads through the mountains. This has resulted in a Road Safety in the Mountains initiative which has three parts: improving roads and signs, maintaining staff awareness and building visitor awareness.

Firstly, the annual KNP roads programme has identified some opportunities for improved signage, line marking and road upgrades that will help people to know when they are approaching a hazardous area share the road and benefit from a stable road surface.

Secondly, Snowy Hydro and KNP staff have systems in place to keep awareness of bicycles, motor bikes, car and caravan traffic high, through radio communication, job planning and pre start conversations before they set off for the day. Our staff know that they will be sharing the road with people less familiar than them and plan and travel with this firmly in mind.

Lastly, the initiative is focused on communicating with visitors. The roads run through some of Australia's most spectacular country, but people unfamiliar with the territory must be aware that the roads are narrow, winding and are also home to wild animals like kangaroos, horses, wombats and deer.

The message being promoted through the initiative is simple: if we take care to drive to conditions, follow signs and are conscious of other users (including animals) we will all stay safe.

Please remember this and you will safely enjoy your drive through the Snowy Mountains.

Drive to conditions, follow signs, remember to share the road.



# Supporting new development - in the right place!

**Snowy Hydro has a proud record of supporting new development around the region because of the social and economic benefit it brings. Manager Environment, Charlie Litchfield, continues...**

There are many examples of commercial and community development where contributions have been made in the form of access to Snowy Hydro land, provision of advice and direct financial support.

For every successful development idea, there are many of unsuccessful requests that have been made to Snowy Hydro and the Snowy Mountains Authority before it. Not all come to fruition for a variety of reasons including lack of financial feasibility, failure to meet planning rules or because a developer wants to locate something where there are foreseeable risks.

To help us make consistent decisions about support for new development, we have some basic principles. These mainly concern where the proposal is located in relation to lake levels and our assets, so that the new development is not impacted by normal operation of the Scheme.

The types of development that have been given support over the years vary from providing access over Snowy land for water and sewer services, to providing land for commercial grazing, caravan parks and education purposes.

The most prominent example of development made possible by cooperation between Snowy Hydro, Snowy River Shire Council (now Snowy Monaro Regional Council) and the community, includes the bike/walking track around the Lake Jindabyne foreshore which now extends over 30 km and registers thousands of users a year.

In April this year Snowy Hydro signed off on a new 4.2km foreshore section which will link with the trail coming down from Thredbo. While Snowy Hydro's main contribution has been to make foreshore land available to locate the trail, we have also provided technical help and funds to deal with contamination and stabilising areas of the foreshore where footpaths, trails and recreational activities are located.

Snowy Hydro has provided this support, while working within the operating parameters of the business, such as lake levels which vary depending on weather conditions (dry and wet), releases for irrigation and to the environment and of course, for electricity generation. It is not unusual to see the level between low and high water mark vary up to 250 metres horizontally and 20 metres vertically. So we actively avoid locating new development below the expected operating level of the lake, known as full supply level (FSL) and remind people how low the lake can get at times, so that the development itself and Snowy Hydro and its customers are not impacted.

In short, Snowy Hydro is an enthusiastic supporter of new development, in the right place, so that we can avoid problems down the track.

Keep an eye out for a new document called "Guidelines for Development Proposals Involving Snowy Hydro Land" which will be released after Christmas.



# Supporting the Snowy Mountains



Snowy Hydro is proud to support the communities of the Snowy Mountains Region, and we do so in many different ways. **Manager Community Relations, Heath Woolley**, outlines some of our recent partnerships...

Snowy Hydro has a long and proud history of supporting communities and events in the Snowy Mountains. This region is where our staff live and work and we want to ensure the towns across the region are vibrant and economically viable and attract new residents and visitors.

Earlier this month we welcomed thousands of motorcyclists for the annual 'Snowy Ride', which raises funds and awareness for children's cancer research.

This year more than 2200 motorcyclists made the annual pilgrimage to the Snowy Ride event. While the mountains come alive with the roar of motorcycles of all shapes and sizes, it is easy to forget that they are not only here for the amazing scenery - but to raise much needed funds for children's cancer research.

The Snowy Ride celebrates the life of Steven Walter, a passionate young motorcycle rider who lost his fight against cancer in 2000. In his final days Steven wrote a powerful letter to his family and friends asking them to raise money for childhood cancer research "so that one day no other kid would have to go through what I've been through". Since then, a

devoted group of volunteers led by Steven's mother, Sue Walter, established the Steven Walter Children's Cancer Foundation (SWCCF) and from its inception, the SWCCF estimates that almost \$40 million has either been given or leveraged towards children's cancer research.

Over 42,000 riders have participated over the 16 years of the Ride, however most importantly, the Ride has made a significant contribution to childhood cancer, and not just funding of treatments and research but the benefits derived from the family and community-based program sponsored by Snowy Hydro.

The Snowy Hydro Family Program brings families with a child who is suffering from cancer to the Snowy Mountains for the Snowy Ride weekend. This gives families who are facing the real challenges of an ill child the opportunity to have a break and experience the best hospitality the Snowy Mountains has to offer. They get a well-earned break from hospitals and all the challenges they impose on a family. This year 44 parents, siblings and the kids currently fighting the disease participated in the Snowy Hydro Family Program, including two local Cooma families.





# ns Community

Snowy Hydro also supports a range of other events in the region. We have recently signed on as major sponsor of the first Tour de France event to be held in Australia - L'Étape. The inaugural L'Étape Australia will be held in the Snowy Mountains on December 3, bringing thousands of amateur cyclists to ride on 157km of closed roads, under race conditions.

There will be two challenging route options (The Race and The Ride), Sprint and King of the Mountain sections and genuine Tour de France Yellow, Polka Dot and Green jerseys to be won by both men and women.

Tour de France reigning champion Chris Froome will be onsite to hold clinics, share his knowledge in riding and racing with the amateurs, and he will ride in L'Étape Australia from the back of the pack to the front.

L'Étape Australia by le Tour de France will no doubt become one of the country's premier amateur events in the years to come.

As part of its sponsorship, Snowy Hydro will host the Snowy Hydro L'Étape Australia Village, encamped on the banks of Lake Jindabyne. The Snowy Hydro L'Étape Australia Village will be the social, administrative and commercial heart of the event during the weekend.

We look forward to welcoming thousands of visitors to the region on December 3 and hosting them in the Snowy Hydro L'Étape Australia Village.



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## Visit our new & improved website



The Snowy Hydro Limited website has undergone a revamp to give new life to the Snowy Hydro Story. **Manager Corporate Communication, Danielle Venables**, outlines some new features...

In early November we rebranded our website [www.snowyhydro.com.au](http://www.snowyhydro.com.au) bringing the site up to date with current trends. The website is an important channel to the outside world and your feedback told us that the site was underutilised and in need of updating.

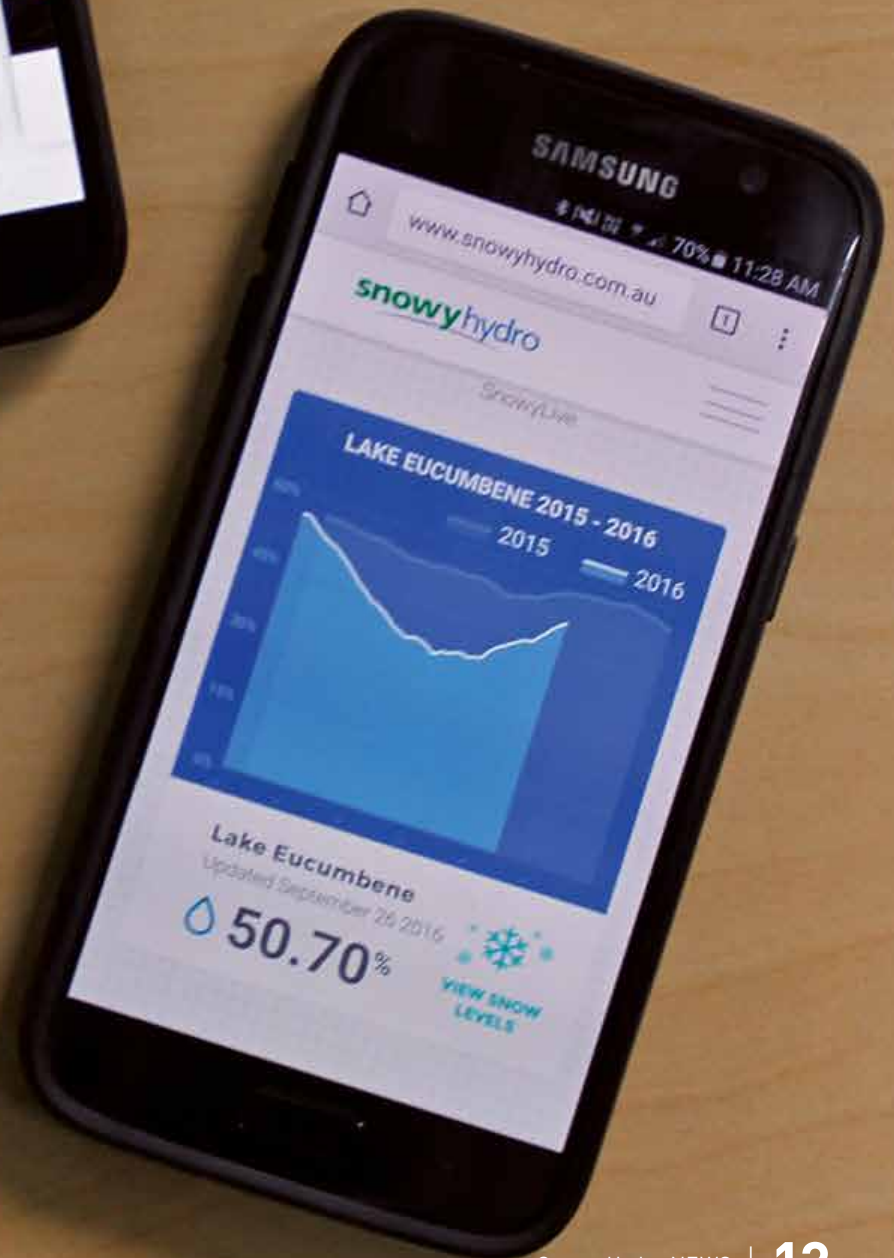
We have utilised beautiful imagery of the Snowy Mountains region and our operations to showcase our business and our employees. The new website ensures our external stakeholders and potential recruits get up to date information about Snowy Hydro and learn about the different parts of our business including our generation assets and retail business.

[www.snowyhydro.com.au](http://www.snowyhydro.com.au) is now also compatible with mobile devices such as smartphones and tablets which has enriched the user experience.

The most popular elements of the site - snow depths and lake levels - have been given a makeover and link in with our SnowyLIVE app which you can download for Android or Apple smartphones.

Take a tour of [www.snowyhydro.com.au](http://www.snowyhydro.com.au) and let us know your thoughts. We always welcome feedback so please let us know what you think by emailing us on [communityfeedback@snowyhydro.com.au](mailto:communityfeedback@snowyhydro.com.au)





# National Heritage Listing of the Snowy Scheme





**On 14 October 2016, the Snowy Mountains Scheme was honoured with inclusion on the National Heritage List. Chief Operating Officer, Roger Whitby, recognises the achievement...**

As the biggest industrial development Australia has ever attempted, the Snowy Mountains Scheme changed the face of Australia.

Constructed between 1949 and 1974, the Snowy Mountains Scheme is the largest public works engineering scheme ever undertaken in Australia. Made up of 225 kilometres of tunnels, pipelines and aqueducts, sixteen major dams, nine power stations and a pumping station, the entire Scheme covers a mountainous area of 5124 square kilometres in southern New South Wales. Only two per cent of the entire construction is visible above the ground.

The Scheme's dams, tunnels, aqueducts and power stations, including some buried deep underground, are some of the most complex and technical engineering and construction feats in the country and the world. Significant engineering advancements were achieved during the construction of the Scheme, including rockbolting and the use of 330 kV transmission lines. Remarkably, the Scheme was completed on time and on budget.

Over 100,000 people from more than 30 countries worked on the Snowy Mountains Scheme. Seventy per cent of these were migrants displaced from their homes in Europe during the Second World War. These workers and their children lived in towns and camps across the Snowy Mountains during construction. While many of these people moved on after completing their work, the Scheme still holds a special significance for workers, their descendants and the wider community as a symbol of multicultural Australia. Cooma's annual multicultural festival continues to showcase the diversity of cultures in the region.

"The Scheme's inclusion on the National Heritage List formalises the important chapter the Snowy Scheme has in the Australian story and cements our place in the nation's history," said Snowy Hydro Limited Chief Executive Officer Paul Broad.

"Snowy Hydro continues to be an important part of the social fabric of the communities we operate in and we continue to be linked with the Snowy Mountains communities that we helped build. While we have evolved to become a dynamic and growing energy company, the heart of our operations continues to be the Snowy Mountains region.

"Importantly, the Scheme's inclusion on the National Heritage List will not impact on our operations or our ability to operate, modify and upgrade the Scheme for future generations."

The Snowy Mountains Scheme is an audacious and brilliant example of modern Australia—a bold idea brought to life by the hard-work of thousands of people coming to Australia from all over the world.

The Snowy Mountains Scheme remains one of Australia's largest producers of renewable energy, including nearly a third of renewable energy fed into the eastern mainland grid and manages water flows for over \$3 billion in agricultural produce.

The Snowy Mountains Scheme is the 107th place added to Australia's National Heritage List. For more details see <http://www.environment.gov.au/heritage/places/national/snowy-mountains-scheme>



*The Hon. Josh Frydenberg MP, Minister for the Environment and Energy, along with Snowy Hydro CEO, Paul Broad, and former workers of the Snowy Scheme at the event announcing the Heritage Listing in Cooma.*

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Kent, Snowy Hydro Employee

Moving mountains.  
It was all in a day's work back then.  
9,125 days to be precise.  
Proud to be a part of it today.  
**That's 110% Australian.**

*It took over 100,000 workers twenty-five years of hard slog in the worst possible conditions to build the mighty Snowy Scheme. That much we know. But to hollow out mountains of granite took a fair bit more than that. It took 110%. And we believe that's as important today as it was then. That's why at Red Energy, an all-Australian company owned by Snowy Hydro, we think the people of the Snowy Region deserve fair prices, genuine discounts and local award winning customer service.*



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