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snowyhydro

NEWS

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ISSUE 32



Red Energy: No.1 for Customer Service



CEO, Paul Broad, welcomes you to the first edition of Snowy Hydro NEWS for 2016...

Snowy Hydro has already had a terrific start to the year on both the retail and generation sides of our business. Our retail energy business - Red Energy - was recently awarded the 2015 Roy Morgan Customer Satisfaction Awards Electricity and Gas Retailer of the Year, topping the field in energy retailing for superior customer service.

At a gala awards night in Melbourne in February, Roy Morgan recognised Red's consistent high performance in customer service and the company's regular feature in the gas and electricity retailing categories. And hot on the heels of the year end award, Red Energy and Lumo Energy have nabbed the Roy Morgan January Customer Satisfaction Awards for electricity and gas providers respectively.

Many are unaware of the retail side of the Snowy Hydro business and, in particular, its growing success. Snowy Hydro bought Red Energy over ten years ago and, since that time, Red Energy Chief Executive Officer Iain Graham, has poured his passion and commitment into building Red into one of the most successful retail businesses in the country - all by putting the customer first.

In an industry renowned for poor customer service, Iain has always prided himself on bucking the trend - caring about how customers are treated and ensuring he delivers on the Red Energy brand promise each and every time. Our Net Promoter Scores (which measure customer satisfaction and whether a customer would refer a brand to a friend)

“Our retail energy business - Red Energy - was recently awarded the 2015 Roy Morgan Customer Satisfaction Awards Electricity and Gas Retailer of the year...”

are industry leading, in a field where many of our competitors regularly score in the negative.

Since we bought Lumo Energy in 2014, we have been focused on bringing the Red and Lumo businesses together to create one extraordinary retail energy business. That work continues.

Proudly backed by the mighty Snowy Hydro, Red is continuing to build its presence in New South Wales. You will see a lot of the Red Energy brand in and around the Snowy Mountains region and together with the broader Snowy Hydro business, we are investing significantly in the communities in which our staff live and work. Whether it's on the ski fields, on local radio, or on the streets and festivals in and around Cooma, keep an eye out for Red Energy and talk to the team about the benefits of becoming a Red Energy customer.

On the generation front, while we have had a relatively mild summer on the whole, recent spates of hot weather have sent electricity demand soaring, meaning our Snowy Scheme power stations, along with our gas fired generators in New South Wales and Victoria, have been running hot. We even set a record at our Tumut 3 power station in Talbingo recently, hitting maximum generation of 1806 megawatts which is well above the 1500 megawatts the power station was capable of about a decade ago.

It's this investment in Snowy Scheme upgrades and maintenance that gives Snowy Hydro its competitive edge. Our assets perform when we need them to and our staff in our Trading and Operations team work seamlessly together to get the most of our business when it matters. The powerful combination of our assets and our people will become increasingly important this year.

After a historically low generation year last year, where we stored resources in anticipation of better market conditions this year, our generation levels have already increased. This means water across our dams and waterways will be shifting. It's an important reminder of the need to keep safe when interacting with the Snowy Scheme. There is an important story on page 6 of Snowy Hydro NEWS about some disturbing safety incidents recently where members of the public have endangered themselves. Please read and heed all of our safety signs and warnings - they are there for a reason. Nothing is worth losing a life for.

Lastly, I would like to publicly pay tribute to our outgoing Chief Executive Officer, Ken Lister. Ken has been with Snowy Hydro for 30 years in a range of roles. He is literally 'Mr Snowy'. Ken's respect for our assets is unrivalled and he has passionately championed our investment in upgrades and maintenance for many years. He is equally passionate about ensuring the next generation of engineers benefit from his corporate memory and he has personally mentored many of our young (and now not so young!) apprentices during his time at Snowy Hydro. We will be paying tribute to and farewelling Ken in the coming weeks but he will remain a Snowy Hydro ambassador for some time to come.

Longstanding Snowy Hydro Executive Roger Whitby has been appointed the new Chief Operating Officer, ensuring our operations and assets are in safe hands. Experienced mining executive John McGagh also joins the team this month as our inaugural Chief Digital Officer. You can read about these changes on page 9.

Working towards a flexible water arrangement for irrigators



Snowy Hydro has been working closely with Murray Irrigation to develop a water release product. **Manager, Water & Environment, Andrew Nolan, explains...**

The original vision for the Snowy Scheme was to move water from east to west, inland to service town water supplies, irrigators and the environment. Since the Scheme's completion in the 1970s, Snowy Hydro has been the custodian of the water that flows through the Scheme's complex maze of dams, tunnels, aqueducts and power stations.

Importantly, Snowy Hydro does not own the water in the Scheme and our operations and use of the water is regulated via a strict Water Licence which determines, amongst other things, the total releases of water required each year.

You may have read recent reports that Snowy Hydro is working constructively with Murray Irrigation to develop a water release product. Ideally, this product will increase irrigators' certainty of water delivery earlier in the growing season, whilst ensuring there is no negative impact on any other water management and generation requirements by Snowy Hydro. By having the option to call on water from the Scheme, the irrigators can make decisions on planting earlier and with higher confidence which is of significant value to them.

Snowy Hydro does not own the water in the Scheme so we cannot sell it. It also important to remember

than none of the water in the Scheme's storages is surplus in any way. Every drop is accounted for and of very high value to a number of stakeholders including Snowy Hydro.

Together with Murray Irrigation, we have been working to provide an advance of Above Target Water releases (the Scheme's "discretionary" water) during the next water year (which runs from April to March). Any amount released will be deducted from future years' releases when growing conditions for the irrigators are more favourable.

Together with Murray Irrigation, Snowy Hydro is currently discussing the details of the proposal with water authorities to ensure that all stakeholder's interests and requirements can be met. This will take some time, but we are optimistic that we will be able to reach an agreement in time for the growing season.

We are very pleased to be working constructively with irrigators and water authorities to develop an arrangement that can be accommodated by all parties and meets the needs of those with an interest in this precious resource.



*Definition: Above Target Water
Water that is not required for Snowy Water Licence
Required Annual Releases that Snowy Hydro is
able to release at its discretion.*



Safety around the Scheme

Be aware... Be Safe



When visiting key operational areas of the Snowy Scheme, we ask you to be aware and be safe especially in areas near power stations, switch yards, lake foreshores and rivers downstream from dams. **General Manager Operations, Maarten van der Stap, explains why...**

Safety is our number one priority at Snowy Hydro - not only for our employees, but anyone who is in the area to experience what the region has to offer - including the assets of the Snowy Scheme.

There are a number of recent incidents involving unsafe behaviours by members of the public, ignoring safety and warning signage and putting themselves at risk around our assets.

Due to the nature of operations of our assets and the area in which they are located, warning and danger signage play a critical role in identifying risks, and they should be read and adhered to at all times.

Snowy Hydro power stations can start remotely within 2 minutes and reach full operations within 5 minutes. This means that there is a very quick change in hazards around Snowy Hydro assets particularly in conditions in the vicinity of our power stations, dams, rivers and spillways. Warning and Danger signs have been installed as a result of detailed safety audits of these hazardous areas and specifically located to warn of the area's inherent risks. These signs are not there just for show and therefore should not be disregarded.

Recently there was an incident below Guthega Power Station where rapid water level rise warning

and danger signs did not deter some visitors from accessing the river. As a result a young girl was trapped on the opposite side of the river to her parents after the power station began operating and water levels rose. The SES responded to this incident and the girl was returned safely to her parents, only marginally avoiding the need for the SES to undertake a high risk swift water rescue.

It is a timely reminder that power demands in Eastern Australia fluctuate daily, even hourly in hot weather like what we are experiencing now. In response, Snowy Hydro produces power to support the Electricity network and due to this variability in demand it is often impossible to forecast power station operations and subsequent water releases from any location in the Scheme. Generating large amounts of electricity requires the management and relocation of large amounts of water and as a result, water flows in some rivers can change dramatically and quickly.

The Scheme also comprises some amazing infrastructure which can be a photographer's dream. However, smart phones and social media have given rise to many tourists trying to capture the best 'selfie' - regardless of their personal safety. Recently we had an incident at our Jounama Spillway gates near Talbingo where a member of the public climbed over the safety railing and was found standing with one

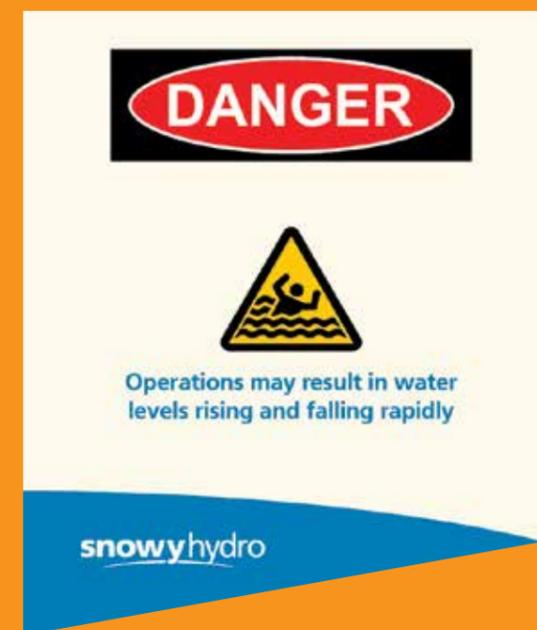
foot on the metal gate structure and the other on the concrete pillar supporting the gates, attempting to get a photo on his phone. It would have been very easy for the person to make a wrong step or slip on the wet metal/concrete surface and which would have ended in their fatality. One of our employees discovered the risk taker and asked him to leave the location. No photo (however amazing) is worth a life.

Even more shockingly, there have been groups illegally accessing Geehi Dam Spillway. There is "No Public Access" to this area and Snowy Hydro has clear signage, security fencing and locked gates around the asset in order to deter illegal access to the site. Social Media has played a negative role in promoting this area and members of the public have been found abseiling into the location (after ignoring signage and climbing over the gates), swinging in from a rope at the bottom, as well as installing bolts into the concrete to use as makeshift steps to gain access. This reckless behaviour has placed themselves and their friends in high risk situations and they have been lucky that no-one has been hurt to date.

We implore the community and visiting public to please adhere to safety signage around the Scheme and act diligently and safely around our assets and waterways at all times.

Please adhere to safety signage around the Scheme and act diligently and safely around our assets and waterways at all times. Some of the changing conditions which can occur in downstream rivers and reservoirs are:

- Sudden and rapid changes in water flow and volume in streams and rivers
- Potential bank collapse during and after high flow events
- Floating debris
- Water temperature can be very cold
- Water level in lakes or reservoirs can change significantly in a short period of time]





Roger Whitby



John McGagh



New Executive Appointments at Snowy Hydro



In response to the retirements of Ken Lister and Ian Cooke, we welcome new Executive team appointments. Executive Officer, People & Culture, **Gabrielle Curtin**, introduces the new team...

Longstanding Snowy Hydro Limited executive, Roger Whitby, has been appointed Chief Operating Officer and mining executive John McGagh will join Snowy Hydro as the company's inaugural Chief Digital Officer in March 2016.

Taking over from retiring COO, Ken Lister, current Executive Officer – Trading, Roger Whitby has extensive engineering and trading experience, marrying market experience with technical expertise and in-depth knowledge of Snowy Hydro's unique operations.

"Roger is one of Snowy Hydro's most accomplished Executives," CEO Paul Broad said.

"His appointment as COO will bring together Snowy Hydro's trading, water, environment and operations team to form a seamless link between the water under our management, our portfolio of generation assets and the National Electricity Market.

"Roger will oversee not only the operation, maintenance and capability of the iconic 4100 megawatt Snowy Scheme assets but also our three gas fired power stations – Laverton North (320MW) and Valley Power (300 MW) in Victoria and Colongra (667MW) in New South Wales – as well as our diesel peak generators in South Australia.

"The nature and geographical location of our portfolio of assets gives Snowy Hydro its competitive edge and I am confident in Roger's ability to drive further improvements in our asset capability, responsiveness and reliability."

Experienced mining executive John McGagh will join the Snowy Hydro Executive team in the position of Chief Digital Officer. John has spent the past 30 years in a range of roles at Rio Tinto, the most recent of which was as Head of Innovation. He comes to Snowy with a global track record in technology and has been at the forefront of innovation in the mining sector particularly in big data and robotics.

"John is a change agent and has runs on the board in terms of improving business performance with technology and innovation by building partnerships with the private sector and academia.

"I am excited to hear John's vision and ambitions for our systems, processes and assets and how we can get more out of our business by further embracing change, automation and technology. John's leadership and strategic skills will also be a welcome addition to the Snowy Hydro executive team.

"I pay tribute to both Ken Lister and Ian Cooke who have dedicated their lives and careers to Snowy Hydro, our iconic assets and our people. Along with Roger, Ken and Ian were part of the team that brought together the trading and generation companies to form Snowy Hydro Limited in the early 2000s.

"Ken and Ian are both recognised leaders in the Snowy Mountains community and I have no doubt they will continue to be strong contributors in the Cooma region."

Snowy Hydro hosts the NSW Energy Minister



Recently we hosted the NSW Energy Minister in the Snowy Mountains to experience the Scheme firsthand. **General Manager Corporate Affairs, Jane McMillan,** outlines the visit...

The New South Wales Minister for Industry, Resources and Energy, the Honourable Anthony Roberts, visited Snowy Hydro during March to better understand the business, its contribution to the National Energy Market and to admire the beautiful region in which the Scheme is located.

The Minister met with the Snowy Hydro Executive team in Cooma before travelling to Cabramurra and Talbingo. The New South Wales government is Snowy Hydro's major shareholder, owning 58 per cent of the company along with the Victorian and Commonwealth Governments.

Minister Roberts' portfolio responsibilities span across the energy industry in New South Wales and he was interested to hear how Snowy Hydro has expanded its retail energy business and its generation assets in the past two years.

During a visit to the Cooma Discovery Centre, the Minister familiarised himself with the Scheme's layout. He recounted visiting the Scheme as a small boy and thoroughly enjoyed revisiting the Scheme including tours of the Tumut 1 and Tumut 3 power stations to see recent upgrades.

The Minister was particularly impressed by Snowy Hydro's visible commitment to safety and remarked to employees at our Upper Tumut facilities that he was reassured by their professionalism and approach to keeping each other safe.

The Minister had the rare privilege of being able to view one of our T1 turbines being reassembled following upgrade works as well as staying overnight in the Snowy Hydro operated town of Cabramurra.



L-R, Ken Lister, Minister Roberts and CEO Paul Broad viewing the diorama at the Snowy Hydro Discovery Centre in Cooma



Ken Lister and Minister Roberts at Tumut 1 Power Station.



2016 Trainees L-R: Emma Fogarty, Chelsea Case, Riah Swain, Grace Towing, Nakiya Nuridin, Jozeph Nassar & Lachlan Sturgeon (missing Ellie Ross from Murray).

Welcome to our 2016 trainees



Every year Snowy Hydro offers office administration traineeships to local students. During January we saw a changing of the guard! **Learning and Development Advisor, Lyndal Cass,** introduces the new team...

In January of this year Snowy Hydro farewelled our six trainees for 2015 and welcomed eight new faces to the business. Six young women and two young men were welcomed into our Information Control Systems, Information Resources, People & Culture, Operations, and Corporate Affairs & Community Relations teams for a one year traineeship - one is even from Corryong and is based in our Khancoban office.

During the traineeship they will learn a range of skills including communication skills, reception duties, IT skills and more that are unique to the business unit they form part of. The program also includes studying at Tafe one day a week for Certificates III & IV in Business Administration.

The Snowy Hydro Business Administration Traineeship provides an opportunity to local school leavers to take a gap year between school and further studies or employment. This program and subsequent qualification provides trainees with

workplace and vocational training experience that is highly valued in the business community.

It has been great to see the new trainees settle so quickly into their roles. I hope that their time at Snowy Hydro enables them to gain work skills that they can take into the future.

Welcome to Team Snowy:

- Nakiya Nuridin - People & Culture
- Chelsea Case - Asset Management & Engineering
- Jozeph Nassar - Information Control Systems
- Emma Fogarty - Information Control Systems
- Lachlan Sturgeon - Information Resources
- Riah Swain - Project Delivery and Ops Support
- Grace Towing - Snowy Hydro Discovery Centre
- Ellie Ross - Production, Murray



celebrates its third birthday



In just three short years the Cooma Universities Centre has helped over 140 local students access tertiary education right here in the Snowy Mountains. **Manager Community Relations, Heath Woolley**, attended the birthday celebrations and gives an update on the CUC...

In early March, Cooma Universities Centre (CUC) Board members, students, and members of the community came together to celebrate the CUC's third year of operation since opening in March, 2013. The initiative - a joint project between Snowy Hydro Limited and Cooma Monaro Shire Council - aims to facilitate, deliver, promote and provide access to university education in regional and rural areas. With 149 students registered since March 2012 - studying through 27 different Universities across Australia - the success of the initiative is evident.

This interest has resulted in the establishment of the 'Country Universities Centre' where the CUC is working with local government and representatives of the Young and Boorowa communities to expand higher education delivery in those areas.

Snowy Hydro has long supported educational initiatives, from local school awards right through to the successful CUC, and we are proud to be associated with this successful community facility.

Two Universities in particular, the University of Canberra and Central Queensland University, have aligned themselves with the CUC. A Bachelor of Business Studies Degree (Events and Tourism Management) is offered through the University of Canberra, and the Bachelor of Education, specialising in either Early Childhood or Primary Education, is offered through CQUniversity. Both these degrees are moving into their second year with the cohort of students supported by locally employed tutors.

So successful is the CUC that the model is getting interest from right across New South Wales.



The families of the Snowy Hydro Family Program accepting our donation.





Discover the Scheme this Easter!



With all the activity of the 'Back to Cooma' Easter weekend, why not pop into the Snowy Hydro Discovery Centre? **Team Leader, Luke Judd,** outlines what the centre has to offer...

The Snowy Hydro Discovery Centre in Cooma is a great place to visit if you are looking to discover more about the history of the Snowy Mountains Scheme, current Snowy Hydro operations or if you are simply planning a trip into the region this Easter. Our friendly customer service team are able to provide you with up to date information on visiting the Scheme so you can get the most out of your visit.

We have a small and a large theatre at the Discovery Centre where you can watch the 10 minute film 'Mountains of Power' which gives you an overview of Snowy Hydro. If you book ahead you can also watch the 30 minute Best of the Years film which shows old footage of the construction days.

The centre also has many historical items on display including some fantastic photos for you to enjoy. There are information panels explaining the different aspects of our operations from the water licence, environmental management, electricity generation through to trading and the cultural influence of the construction days of the Scheme.

One of the most popular aspects of our Discovery Centre is the real time screens which displays live information on Scheme activity as well as showing what is happening with trading prices in the National Electricity Market - you can see in real time which of our power stations are generating to meet the demand across eastern Australia.

Our staff are able to answer any general questions you may have a pride themselves on delivering great customer service.

At our cafe you can sit down and enjoy some of the best coffee in the region along with light refreshments in a comfortable environment - or enjoy our outdoor picnic area which also displays two turbine runners from the Scheme, including the largest from our Tumut 3 Power Station weighing an incredible 47.7 tonnes!

We hope you decide to drop by and say hello during your next visit to the region.

Snowy Hydro Discovery Centre, Cooma

Open 7 days: 8:00am - 5:00pm Mon to Fri
9:00am - 2:00pm Sat, Sun & Public Holidays

Closed: Christmas Day & Anzac Day



We have a number of displays showcasing the story of the Snowy Scheme.



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Red Energy gives New South Wales the power to choose an electricity and gas retailer that is 100% Australian.

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That means the community and economy benefit from keeping Aussie jobs here, and our customers benefit by having locally based, award-winning service and great value electricity.

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