



WATER COMPLIANCE REPORT

2015-2016 Water Year

snowyhydro
renewable energy

ABOUT THIS REPORT

Since the Snowy Scheme's completion in 1974, Snowy Hydro Limited has carefully managed water that flows through the Scheme's dams, tunnels, aqueducts and power stations in accordance with our water licence. This report outlines how we are managing the water that flows through the Scheme.

Snowy Hydro operate a complex hydro-electric scheme utilising the water captured by the scheme to generate energy to meet the market's needs, while also moving water from east to west to support irrigation districts.

Each year, we have to reach certain targets for downstream and environmental water releases. Snowy Hydro has operational flexibility day-to-day to strategically manage our generation and water releases while at the same time giving long-term security to the downstream users around annual water releases. In the Snowy Scheme, water releases and electricity generation are inseparably linked.

Snowy Hydro is operated under the Snowy Water Licence, issued to us by the NSW Government. The licence has many legally binding and enforceable obligations on the company.

Snowy Hydro is obligated under the Snowy Water Licence to:

- ◆ Target water releases to the River Murray and Murrumbidgee River catchments, the annual volumes of which are determined according to highly prescriptive formulae set out in the Snowy Water Licence;
- ◆ Target water releases from Jindabyne Dam into the Snowy River for environmental purposes (Snowy River Increased Flows); and
- ◆ Facilitate additional natural flows to nominated Rivers for environmental purposes (Snowy Montane Rivers Increased Flows).

This report is an important channel to educate and inform our stakeholders about the water operations of the Scheme. While we generate energy from the water that moves through the Scheme, we don't own a drop of it; nor do we sell the water, own the water or charge people to access it.

Snowy Hydro must operate the Snowy Scheme to first meet its water release obligations and then to maximise electricity market opportunities within the constraints imposed by the Snowy Water Licence.

The Snowy Water Licence recognises the difficulties inherent in achieving precise release volumes at each release point, so any shortfall or excess is accounted and generally dealt with by an 'unders' and 'overs' approach whereby the shortfall or excess is added or subtracted to the following years target – i.e. there is no way that Snowy Hydro can consistently 'under-deliver' water to any aspect of the release program.

For more information about the Snowy Water Licence we encourage people to visit the NSW Department of Primary Industries Water at water.nsw.gov.au

COMPLYING WITH OUR LICENCE

Snowy Hydro complied with all of the requirements imposed upon the company under the Snowy Water Licence during the 2015 – 16 water year including each water release target relating to:

- ◆ The Required Annual Release to the River Murray catchment.
- ◆ The Required Annual Release to the Murrumbidgee River catchment.
- ◆ Environmental releases into the Snowy River from Jindabyne Dam.
- ◆ Environmental releases into the Murrumbidgee River from Tantangara Dam.
- ◆ Environmental releases into the Goodradigbee River from Goodradigbee Aqueduct.
- ◆ Environmental releases into the Geehi River from Middle Creek Aqueduct.
- ◆ Environmental releases into the Snowy River from Bar Ridge and Diggers Creek Aqueducts.

INTRODUCTION

RIVER MURRAY CATCHMENT

Snowy Hydro complied with its obligation to target the Required Annual Release (RAR) from the Snowy-Murray Development to the River Murray catchment during the 2015 – 16 water year.

The total accounted release volume was 931 GL. This was made up of:

- ◆ 960 GL being the 2015 – 16 Required Annual Release calculated under the Snowy Water Licence; less
- ◆ 227 GL of Net DISV Increase; plus
- ◆ 198 GL of pre-release of the 2016 – 17 Required Annual Release; plus
- ◆ 0 GL of Discretionary Above Target Water Releases (water not required for RAR releases that Snowy Hydro is able to release at its discretion).

This total accounted release volume includes 10 GL of Montane environmental flow releases provided to the Geehi and Swampy Plains River which did not flow through Scheme power stations.

WESTERN RIVER RELEASES

RIVER MURRAY CATCHMENT

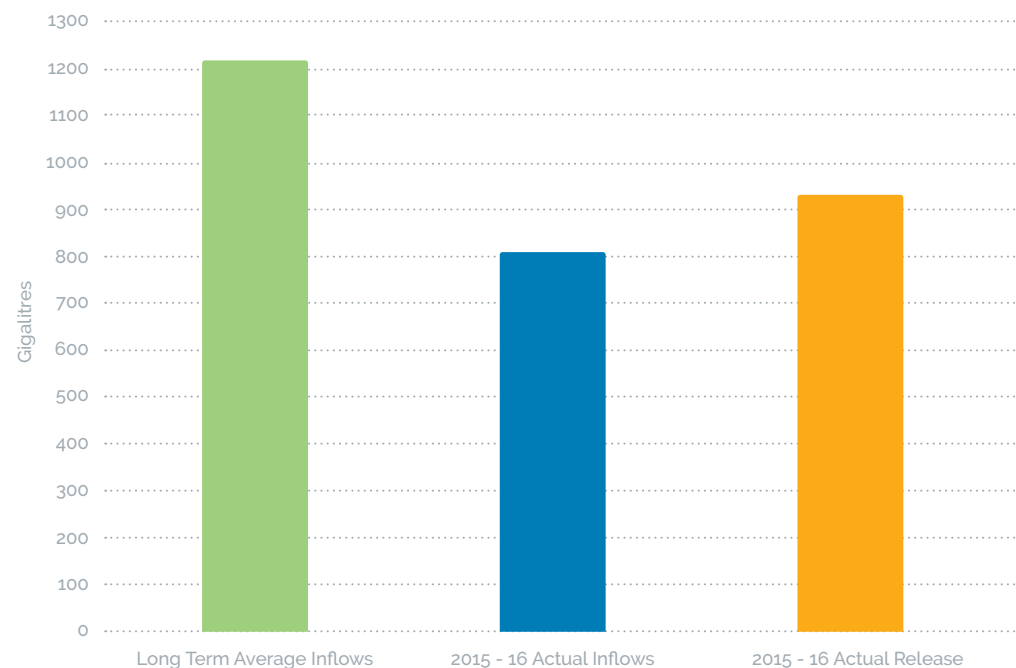
Snowy Hydro complied with its obligation to target the Required Annual Release (RAR) from the Snowy-Murray Development to the River Murray catchment during the 2015 – 16 water year.

The total accounted release volume was 931 GL. This was made up of:

- ◆ 960 GL being the 2015 – 16 Required Annual Release calculated under the Snowy Water Licence; less
- ◆ 227 GL of Net DISV Increase; plus
- ◆ 198 GL of pre-release of the 2016 – 17 Required Annual Release; plus
- ◆ 0 GL of Discretionary Above Target Water Releases (water not required for RAR releases that Snowy Hydro is able to release at its discretion).

This total accounted release volume includes 10 GL of Montane environmental flow releases provided to the Geehi and Swampy Plains River which did not flow through Scheme power stations.

Inflows and Releases to the River Murray Catchment during 2015 - 16



MURRUMBIDGEE RIVER CATCHMENT

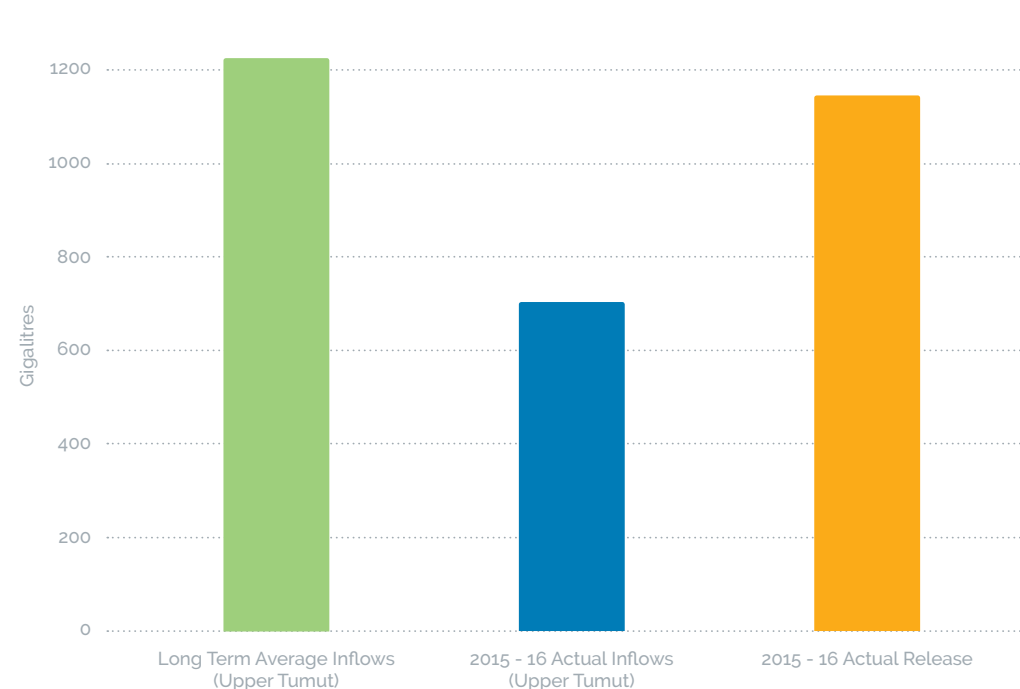
Snowy Hydro complied with its obligation to target the Required Annual Release from the Snowy-Tumut Development to the Murrumbidgee River catchment during the 2015 – 16 water year.

The total accounted release volume was 1144 GL. This was made up of:

- ◆ 1014 GL being the agreed 2015 – 16 Required Annual Release calculated under the Snowy Water Licence; plus
- ◆ 130 GL of pre-release of the 2016 – 17 Required Annual Release; plus
- ◆ 0 GL of Discretionary Above Target Water release (water not required for RAR releases that Snowy Hydro is able to release at its discretion).

This total accounted release volume includes 23 GL of montane environmental flow releases provided to the Murrumbidgee and Goodradigbee Rivers which did not flow through Scheme power stations.

Inflows and Releases to the Murrumbidgee Catchment during 2015 - 16



ENVIRONMENTAL RELEASES

SNOWY RIVER INCREASED FLOWS

Snowy Hydro complied with its obligation to target releases from Jindabyne Dam for environmental purposes during the 2015 – 16 water year.

The volume of Snowy River Increased Flows (SRIF) released from Jindabyne Dam during the 2015 – 16 water year was 139.8 GL, which was 0.4 GL above the target volume of 139.4 GL. That excess is well within the +/-10% annual tolerance around the target volumes allowed under the Snowy Water Licence. The 2016 – 17 target has been adjusted down to account for this release surplus.

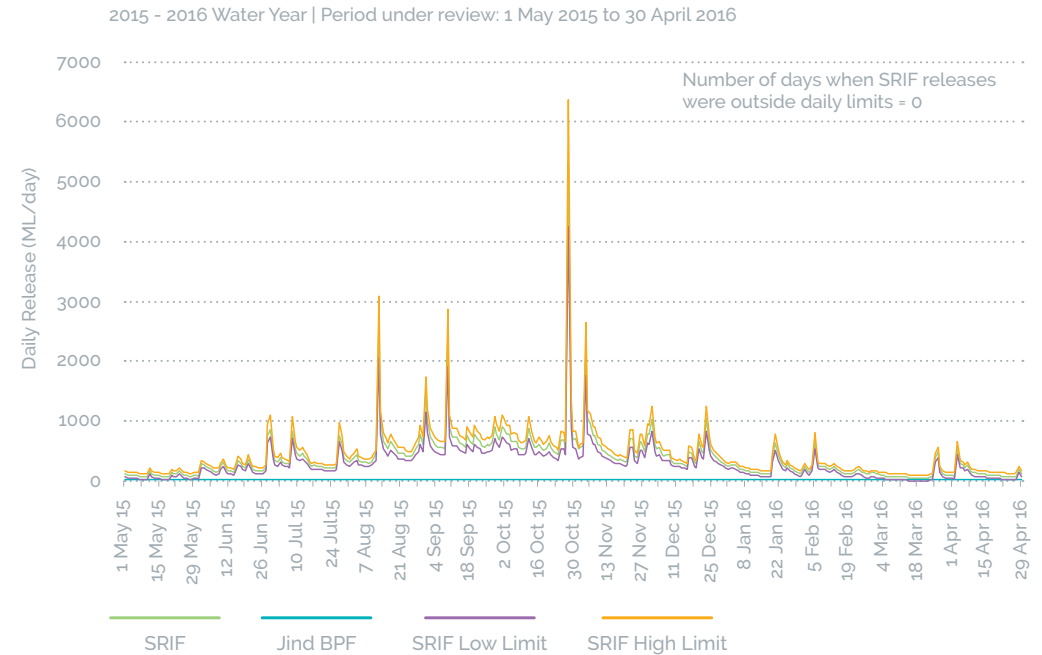
In addition to the environmental releases, 8.5 GL Base Passing Flow (BPF) was also released from Jindabyne Dam and 0.5 GL riparian flow was released from the Mowamba Weir.

All monthly releases were within the +/-20% monthly tolerance around the target volumes and daily releases were within the +/-20% daily tolerance allowed under the Snowy Water Licence.

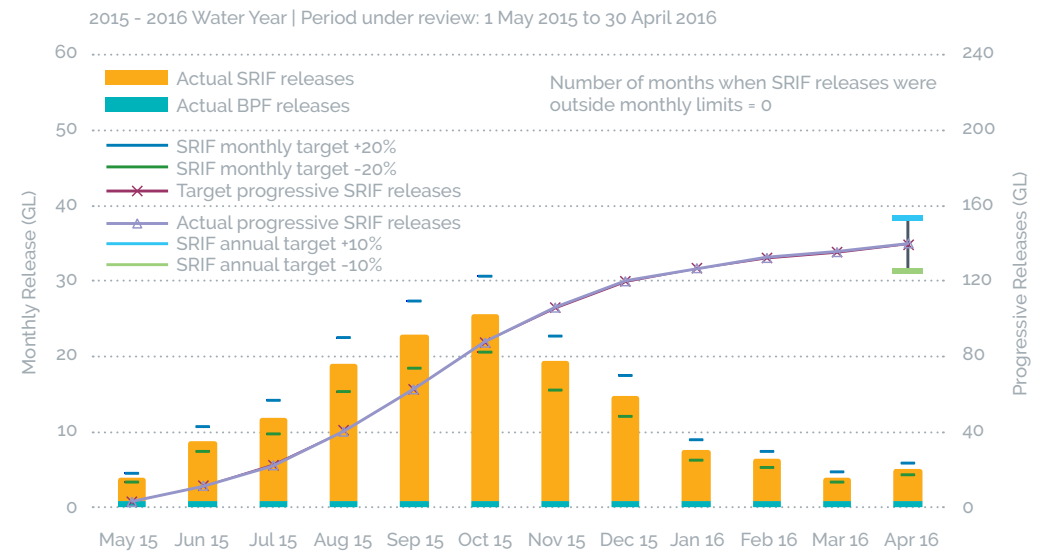
As allocations for the 2015 – 16 water year once again exceeded 100 GL, a flushing flow was delivered to the Snowy River as set out on the next page.

The comparison of the annual, monthly and daily release targets for the Snowy River Increased Flow releases against the actual releases is shown in the following charts.

Snowy River Increased Flows (SRIF) and Jindabyne Base Passing Flow (BPF) Release and Daily Limits



Snowy River Increased Flows (SRIF) and Jindabyne Base Passing Flow (BPF) Releases including Mowamba Riparian Releases



DELIVERING 'FLUSHING FLOWS' OUT OF JINDABYNE DAM INTO THE SNOWY RIVER

In any year when allocations exceed 100 GL, Snowy Hydro can be instructed by NSW Office of Water to deliver a flushing flow to the Snowy River. A flushing flow is defined as a day when the release target exceeds the 5 GL capacity of the other release infrastructure at Jindabyne Dam meaning that the spillway gates must be opened to achieve the flow target.

The intent of the flushing flows is to mimic the effect of the Spring snow melt in the Snowy River. These high flows are intended to scour the bed of the channel and remove fine sediment to improve the habitat of the river for fish and macroinvertebrates.

In October 2015 Snowy Hydro delivered another flushing flow, as has been done each year since the first in October 2011. The release pattern was set by the NSW Office of Water with releases peaking at 5.3 GL per day and was discharged through the large spillway gates as well as the cone valves.

The NSW Office of Water, working with representatives across local, state and Commonwealth Government agencies, was responsible for the advice to downstream landholders and other stakeholders that would be impacted by the increased Snowy River levels.

Snowy Hydro Engineers, Hydrologists, Technical and Support staff spent months in the planning of the releases with the focus on safety of the public, especially on site, where a temporary public viewing area was established.

The temporary public viewing area was adjacent to the spillway and included a controlled parking area so people could come and see the releases first hand.

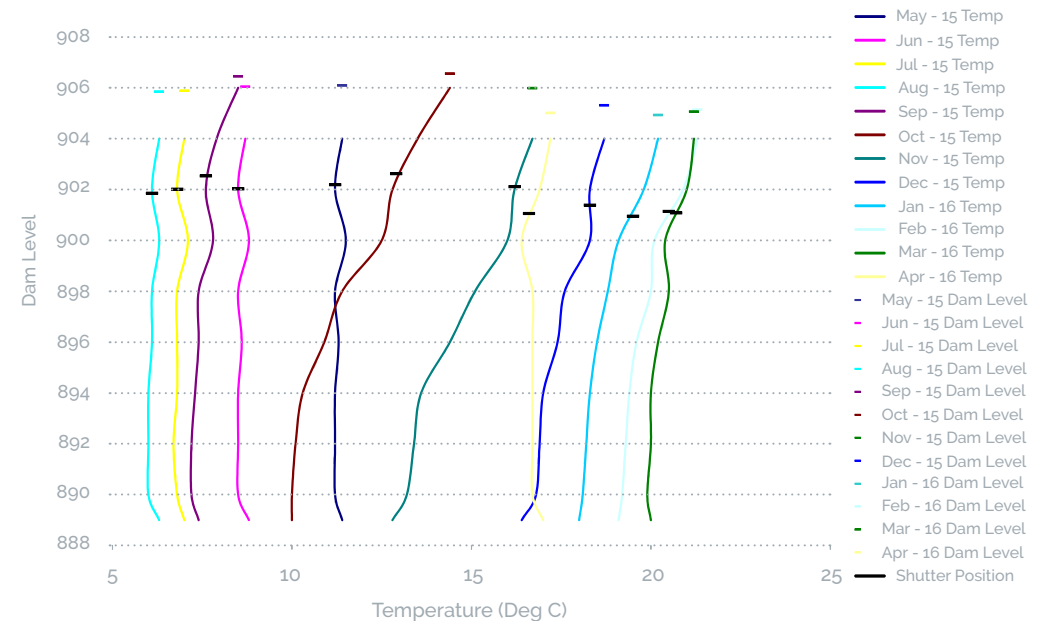
THE TEMPERATURE OF RELEASES FROM LAKE JINDABYNE

The Snowy Water Licence requires the outlet works at Jindabyne Dam to be capable of releasing water from above any thermocline in the reservoir. The thermocline is a thin but distinct layer in a large body of water in which water temperature changes more rapidly with depth than it does in the layers above or below. Typically, as the summer progresses, the surface waters warm and the deeper waters remain cold. This causes a lack of mixing between the upper and lower layers, which can result in the lower layer having reduced oxygen levels. For these reasons the deeper waters within reservoirs are generally viewed as having undesirable water quality characteristics for releases, hence the requirement for the outlet works to be able to draw from above the thermocline.

The intake works at Jindabyne are located at the end of a channel excavated into the bank of Lake Jindabyne. In addition to the variable level shutters in the intake tower, the level of the base of the channel means that the deeper waters of the reservoir are inaccessible. This means that the thermocline is only likely to be above the levels of the intake channel when the lake is at much higher levels.

Snowy Hydro undertakes temperature monitoring at the intake tower to detect the presence of a thermocline and adjusts shutter height as necessary. As can be seen in the chart opposite, all releases were made from above the thermocline.

Jindabyne Dam Intake Water Temperatures and Level



SNOWY MONTANE RIVERS INCREASED FLOWS

Snowy Hydro complied with its obligation to target Snowy Montane Rivers releases for Environmental purposes during the 2015 – 16 water year.

During the 2015 – 16 water year, Snowy Hydro was directed to make Snowy Montane Rivers Increased Flows (SMRIF) from the following locations:

- ◆ Tantangara Dam to the Murrumbidgee River,
- ◆ Goodradigbee Aqueduct to the Goodradigbee River (a tributary of the Murrumbidgee River),
- ◆ Middle Creek Aqueduct to Middle Creek (a tributary of the Geehi River, and
- ◆ Bar Ridge and Diggers Creek Aqueducts to Tolbar Creek and Diggers Creek respectively (tributaries of the Snowy River).

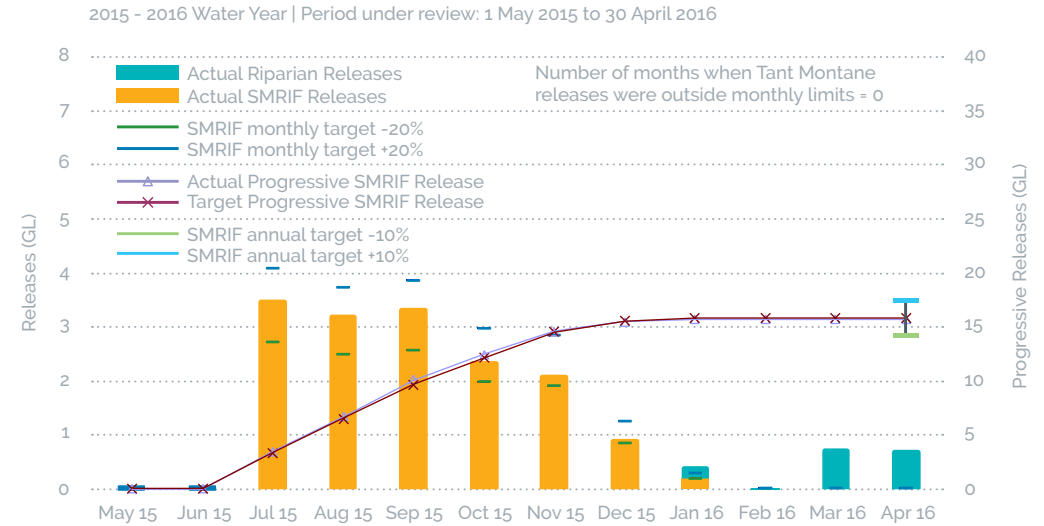
The target volume for Snowy Montane Rivers Increased Flows totalled 64.2 GL, with 15.8 GL from Tantangara Dam, 12 GL from Goodradigbee Aqueduct, 17.5 GL from Middle Creek, and 18.9 GL from Bar Ridge and Diggers Creek Aqueducts, all to be targeted over the whole water year.

The total actual montane release volume was 47.4 GL. This was made up of 15.7 GL from Tantangara Dam, 7.4 GL from Goodradigbee Aqueduct, 10.1 GL from Middle Creek Aqueduct and 13.8 GL from Bar Ridge and Diggers Creek Aqueducts, released over the whole water year.

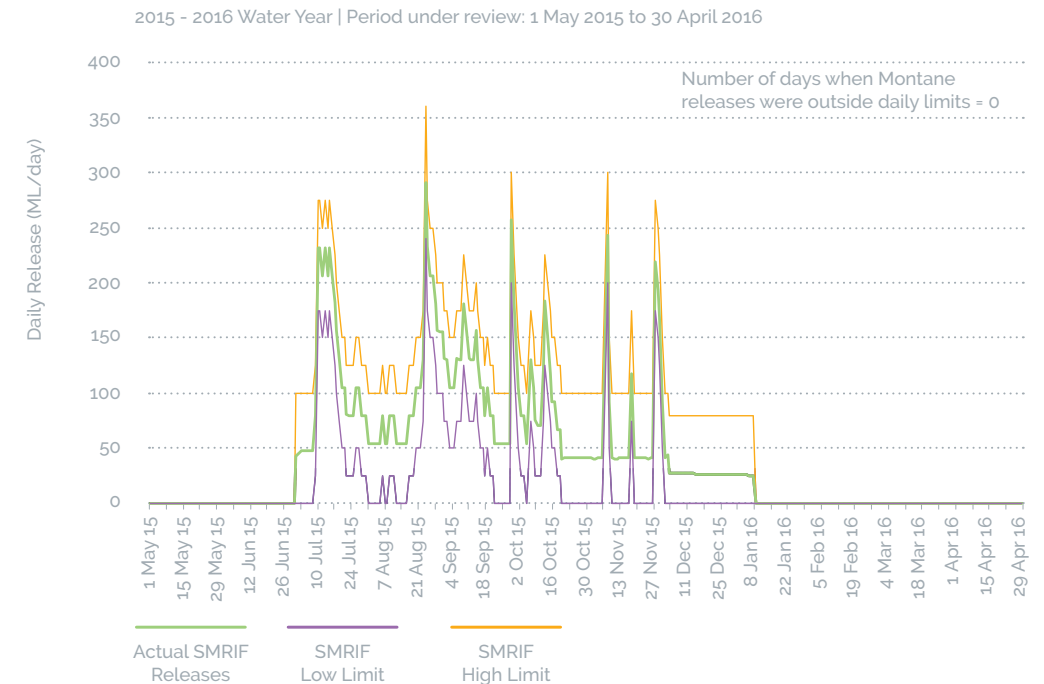
The comparison of the annual, monthly and daily release targets for the Snowy Montane Rivers Increased Flows against the actual from Tantangara Dam is set out in the graphs on the next page. All daily, monthly and annual release targets were within the compliance limits.

Monthly releases from Goodradigbee, Middle Creek, Bar Ridge and Diggers Creek are also provided in the graphs on subsequent pages. As these releases are made from small catchments and the inflows (and therefore releases) cannot be predicted or controlled, there are no annual compliance targets for these releases. The above/below target delivery of water in these catchments in 2015 - 16 reflects the inflows received in these locations. In years when inflows are above average, above average volumes of water will be delivered to these catchments and vice versa.

Snowy Montane Rivers Increased Flows (SMRIF) and Riparian Releases from Tantangara Dam

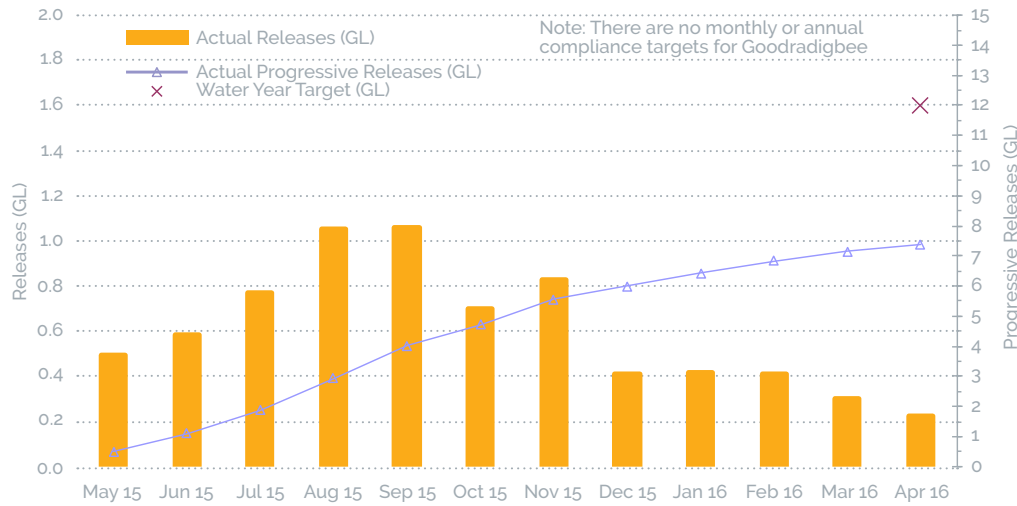


Snowy Montane Rivers Increased Flows (SMRIF) from Tantangara Dam and Daily Limits



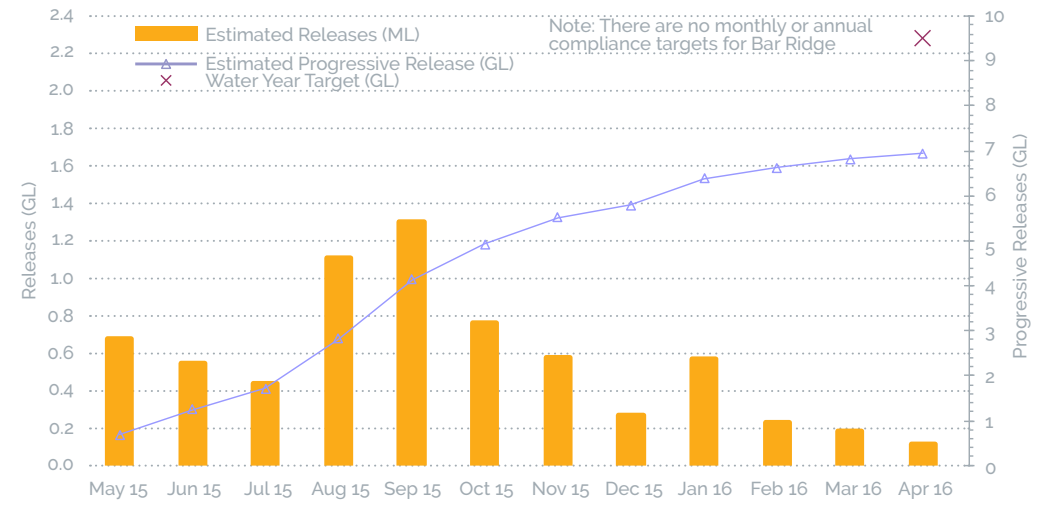
Snowy Montane Rivers Increased Flows (SMRIF) from Goodradigbee Weir

2015 - 2016 Water Year | Period under review: 1 May 2015 to 30 April 2016



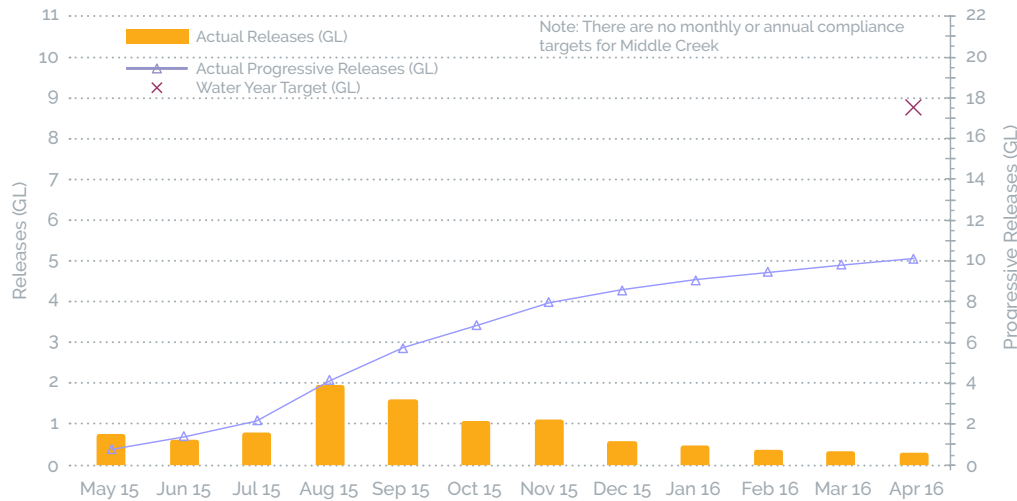
Snowy Montane Rivers Increased Flows (SMRIF) from Bar Ridge Aqueduct

2015 - 2016 Water Year | Period under review: 1 May 2015 to 30 April 2016



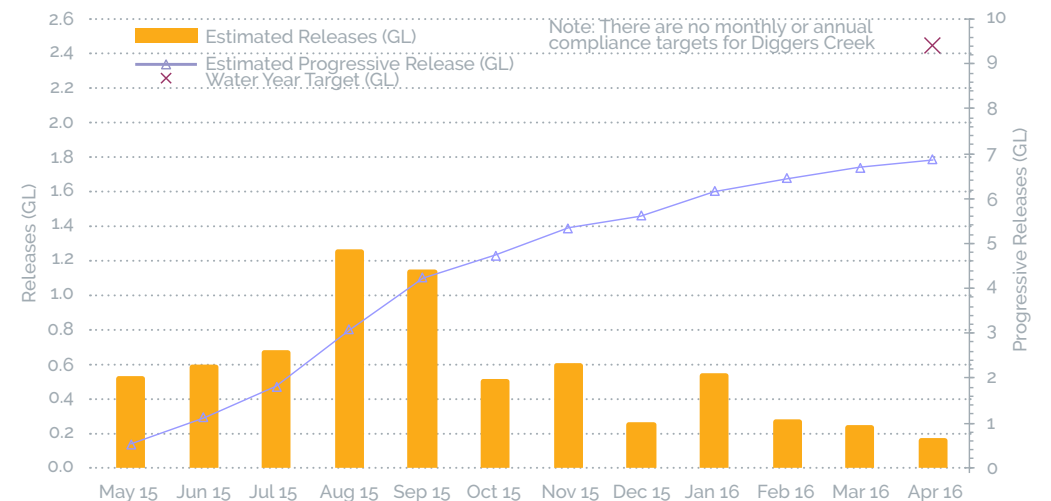
Snowy Montane Rivers Increased Flows (SMRIF) from Middle Creek Aqueduct

2015 - 2016 Water Year | Period under review: 1 May 2015 to 30 April 2016



Snowy Montane Rivers Increased Flows (SMRIF) from Diggers Creek Aqueduct

2015 - 2016 Water Year | Period under review: 1 May 2015 to 30 April 2016



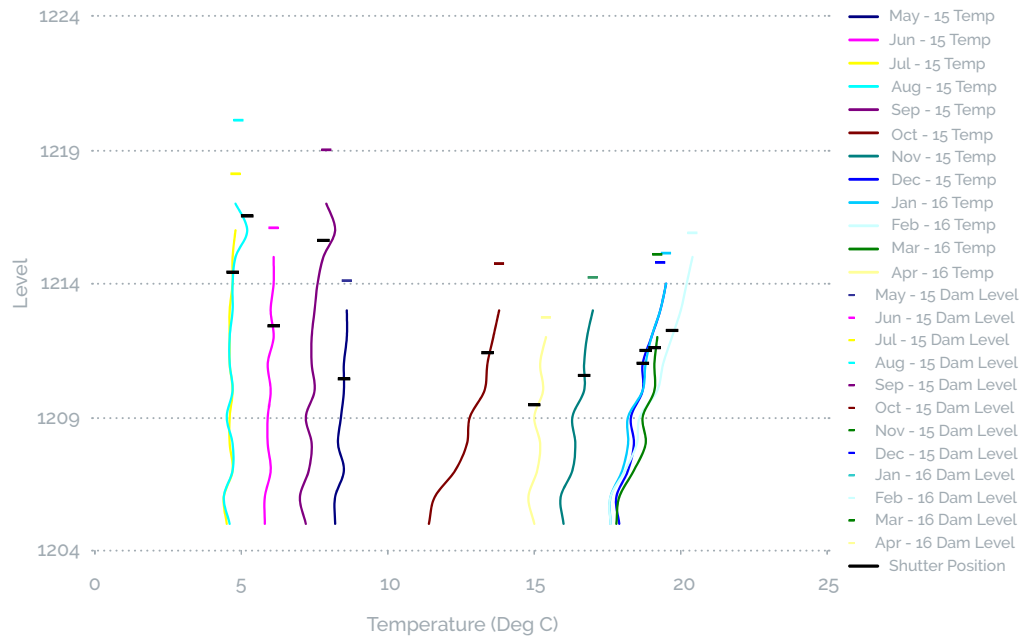
THE TEMPERATURE OF RELEASES FROM TANTANGARA RESERVOIR

The Snowy Water Licence requires the outlet works at Tantangara Dam to be capable of releasing water from above any thermocline in the reservoir. The thermocline is a thin but distinct layer in a large body of water in which temperature changes more rapidly with depth than it does in the layers above or below. Typically, as the summer progresses, the surface waters warm and the deeper waters remain cold. This causes a lack of mixing between the upper and lower layers, which often results in the lower layer having reduced oxygen levels. For these reasons the deeper waters within reservoirs are generally viewed as having undesirable water quality characteristics for releases, hence the requirement for the outlet works to be able to draw from above the thermocline.

The new intake works at Tantangara Dam are located on the upstream face of the dam wall. They comprise a series of 'telescoping' shutters to create a variable level off-take.

Snowy Hydro undertakes temperature monitoring at the intake tower to detect the presence of a thermocline and adjusts the shutter height as necessary. As can be seen in the chart opposite, a persistent thermocline was not present during the 2015 - 16 water year.

Tantangara Dam Intake Water Temperatures and Level



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VERIFICATION STATEMENT

Snowy Hydro Limited commissioned BSI to independently verify the data from its Annual Water Report for the 2015-2016 Water Year, specifically, compliance against Required Annual Release targets (RAR's) set under the *Snowy Water Licence* and actual releases made by Snowy Hydro Ltd.

Responsibilities of the Verifier:

BSI was not responsible for the preparation of any part of the report. The audit was conducted using recognised assessment techniques based on ISO19011 with the 2015-2016 Annual Water Report as the principal reference. The audit was a desktop review of Snowy Hydro Limited's water accounting and operating databases, documented procedures and included interviews with operational staff.

Scope:

Numerical values provided in the 2015-2016 Annual Water Report were compared with the required target volumes from the approved Annual Water Operating Plan for the corresponding Water Year and actual releases were compared with a sample of entries from the water accounting databases. Records of maintenance and calibration of equipment used in monitoring water releases were also reviewed.

The verification process reviewed data for reasonableness and where practical checked the order of magnitude, but detailed calculations were not carried out.

Verification Statement:

Based on the data review process applied during the audit, there is evidence to support that the Annual Water Report for the 2015-2016 Water Year is materially correct and is a fair representation of the water operations.

Dr David Holliday
Environmental Auditor
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21 July 2016

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