

National Carbon Offset Standard Carbon Neutral Program Public Disclosure Summary



An Australian Government Initiative



meridian



POWERSHOP

Meridian Energy Australia Group

Public Disclosure Summary

1st July 2015 – 30th June 2016



Australian Government

Department of the Environment

Summary

Meridian Energy Limited has a proud heritage of harnessing our earth's energy in generating affordable electricity every day – enough to supply more than one million homes. We are proud to say we are the largest company in Australasia that is integrated to provide retail electricity and entirely renewable energy generation. Our company has made a conscious choice to invest in our children's future by not investing in polluting fossil fuel based plants. We seek to add value in a sustainable way by minimising the resources we draw on in going about our business. We seek to ensure the choices we make offer good value, to ensure we can keep our energy affordable.

In Australia, Meridian generates electricity from its own wind farms which is sold into the National Energy Market (**NEM**). We also retail electricity, bought from that same market under our iconic Powershop brand. This Public Disclosure Statement (**PDS**) supports Meridian Energy Australia Group's (**MEA**) Organisational accreditation under the National Carbon Offset Scheme that covers Meridian's generation and corporate activities. It details for the FY2016, the total of our existing emissions from this part of our business, how we define and measure those emissions and how we use our purchases of GreenPower and carbon offsets to reduce that impact.

Our retail business, Powershop, also offsets all emissions associated with the quantity of electricity purchased for sale to its customers. Powershop is also accredited under the NCOS program for the electricity Product retailed and a separate PDS has been prepared for the FY2016 period.

This accreditation at both an Organisational and Product level provides both MEA stakeholders and Powershop customer's assurance that they are supporting a better future through lower greenhouse gas emissions.

1. Organisation and Product Information

Table 1: Organisation and Product Information

Organisation Name	Meridian Energy Australia ¹	
Name of the subject(s) of certification	Meridian Energy Australia Corporate Group	
Type of certification (tick all applicable)	<input checked="" type="checkbox"/> Organisation <input type="checkbox"/> Part of organisation	<input type="checkbox"/> Product/service <input type="checkbox"/> Event
Reporting year period	1 st July 2015	30 th June 2016
Emissions in this reporting year	299 t CO ₂ -e (reduced to 0 t CO ₂ -e by offsets)	
Base year period	From 1 st July 2014	30 June 2015
Emissions in the base year	272 t CO ₂ -e (reduced to 0 t CO ₂ -e by offsets)	

2. Description of Organisation Activities

The MEA group of companies undertakes Meridian Energy Limited's electricity generation, wholesale and retail activities in the Australian market.

There are four companies trading in this group that are sources of emissions:

- Meridian Energy Australia Pty Ltd;
- Mt Mercer Windfarm Pty Ltd;
- Mt Millar Wind Farm Pty Ltd; and
- Powershop Australia Pty Ltd.

The group also includes several special purpose and non-trading legal entities.

Further information about MEA corporate structure can be found at appendices 1 & 2 and also at www.meridianenergy.com.au.

¹ Meridian Energy Australia comprises all companies incorporated in Australia which share a parent company with Meridian Energy Australia Pty Ltd.

3. Organisational & Geographic Boundary/ Scope & system Boundary

The organisational boundary determines the parameters for GHG reporting in the MEA Group GHG inventory. The boundaries were set with reference to the methodology described in the ISO14064-1 standard. The boundary encompasses the operations owned or controlled by Meridian Energy Australia, its subsidiaries, and associate companies in the MEA Group.

3.1 Consolidation approach

MEA applies the operational control consolidation approach to the MEA Group emissions inventory. This consolidation approach allows us to focus on those emissions sources over which we have control and can therefore implement management actions, consistent with MEA's corporate responsibility objectives.

Included in the consolidation are all the operational activities of Powershop, MEA's wholly owned electricity retailer. However we have excluded from this organisational boundary the actual electricity bought and sold by Powershop to meet its customers' requirements as this element is subject to its own NCOS Accreditation in the Product category.

The table in Appendix 1 sets out how each entity in the MEA Group is treated. Appendix 2 contains a diagram of the MEA Group corporate structure as at 30 June 2016, which is a subset of the broader Meridian Energy Limited Corporate Group, our New Zealand based parent company.

For further information about the organisation please refer to the Meridian Energy Limited 2016 Annual Report which is available at www.meridianenergy.co.nz.

3.2 Defining MEA "facilities"

MEA's diverse activities and resulting emissions are categorised into "facilities" in line with Annex A of ISO 14064-1 which requires that the data should be retained in its disaggregated form to aid transparency and to provide maximum flexibility in meeting a range of reporting requirements.

A facility is an operation which, by the nature of its processes or geography, can be separately accounted for. ISO 14064-1 defines a *Facility* as:

*"a single installation, set of installations or production processes (stationary or mobile), which can be defined within a single geographical boundary, organizational unit or production process"*²

3.3 Defining the Individual components of the Facility

There are four trading entities which are sources of emissions in the MEA Group Facility. The MEA Group undertakes renewable electricity generation, wholesale and retail activities in Australia and employed 57 FTEs at year end FY2016. A summary of the activities of each

² ISO 14064-1, section 2.21 pg 3

of these entities is provided in the table below. There is also a number of special purpose and non-trading entities in the MEA Group as described at Appendix 1

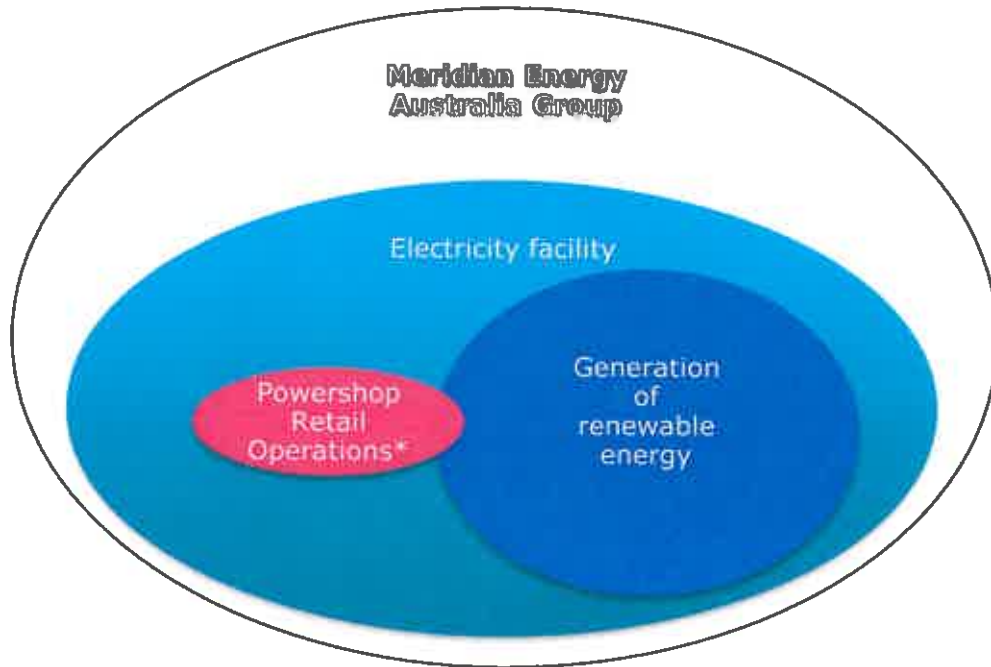
Table 2 – Meridian Energy Australia Facility – Operational Companies

Facility	Description
Meridian Energy Australia Pty Ltd	Meridian Energy Australia Pty Ltd provides corporate and wholesale market services to the MEA Group.
Mt Mercer Windfarm Pty Ltd	Mt Mercer Wind Farm Pty Ltd owns and operates the Mt Mercer Wind Farm which is located approximately 30kms south of Ballarat in Victoria. The wind farm can generate up to 131.2MW of renewable energy which is sufficient to meet the needs of about 80,000 typical households.
Mt Millar Wind Farm Pty Ltd	Mt Millar Wind Farm Pty Ltd owns and operates the Mt Millar Wind Farm which is located approximately 100kms southwest of Whyalla in South Australia. The wind farm can generate up to 70MW of renewable energy which is sufficient to meet the needs of about 36,000 typical households
Powershop Australia Pty Ltd	Powershop Australia Pty Ltd operates the Powershop retail electricity business in Victoria and NSW which has grown to include approximately 80,000 customers. Further information about Powershop can be found at www.powershop.com.au .

Further information about Meridian Energy Australia can be found at www.meridianenergy.com.au

4. Diagram of the Boundary of the Subject of Certification

Figure 1: Facility comprising the Meridian Energy Australia Group



*Excludes the purchase and sale of electricity for Powershop's customers' requirements which is the subject of a separate Product Accreditation application

5. Purchase of GreenPower and Retirement of GreenPower Eligible Large-Scale Generation Certificates (LGCS)

MEL is an entirely renewable Australasian electricity generator which only owns and operates renewable electricity assets (wind farms) in Australia which generate GreenPower eligible LGCs.

For its own corporate emissions in the Base Year, MEA both purchased GreenPower from its retailer, Powershop Australia and surrendered Certified Emissions Reduction Certificates ("CERs"). In future years MEA may continue to purchase GreenPower, voluntarily surrender eligible LGCs, surrender CERs, or a combination of each to offset its own emissions.

GreenPower Purchases and LGC surrender in the FY2016 year were:

Table 3: GreenPower

Corporate office GreenPower electricity usage 67 MWh.

Customer GreenPower electricity usage 23,568 MWh.

Type	Volume	Unit	t CO ₂ -e	Status
GreenPower	23,635	MWh	23,635	Purchased

Table 4: LGCs Voluntarily Surrendered

Details of LGCs Voluntarily Surrendered	
Quantity	Serial No.
0	N/A

Table 5 – CERs Voluntarily Surrendered

Details of CERs Voluntarily Surrendered		
Quantity	Serial numbers	Date of surrender
128	4,282,461 - 4,282,589	2014-15 (surplus)
133	1,553,515 - 1,553,648	May 2016
132	74,743,640 - 74,743,772	September 2016

6. Purchase of NCOS Carbon Neutral Products

During the FY2016, MEA head office in Melbourne purchases NCOS accredited carbon neutral paper under the Reflex brand. Reflex is owned by Australian Paper who is accredited carbon neutral under NCOS.³

7. Total Carbon Footprint

Table 6 – Emissions in FY2016

Scope	Category	Emissions (t CO ₂ -e)
Direct Emissions (Scope 1)	Stationary Combustion	6
	Mobile combustion	148
Indirect Emissions (Scope 2)	Electricity consumption Net of GreenPower purchases	0
Indirect Emissions (Scope 3)	Fuel & energy related purchases	5
	Upstream transportation & distribution	0
	Business Travel	140
Total Emissions (Scope 1, 2 & 3)		299
Surrender of CERs		393
Balance (Cr) or Db		(94)

³ <https://www.environment.gov.au/climate-change/carbon-neutral/carbon-neutral-program/accredited-businesses/australian-paper>

8. Carbon Offset Purchases and Retirement for this Reporting Period

The organisation will utilise NCOS eligible carbon offsets for off-setting all included Scope 1, Scope 2 and Scope 3 emissions constituting our group corporate emissions.

MEA has forward purchased carbon offsets prior to the end of the next reporting period and will true up prior to the end of each reporting period. Excess offsets will be banked for future use.

Offsets will also be purchased for use in all of our Australian electricity sales under the Powershop Australia brand, which is separately described in our Powershop Carbon Neutral Electricity Product Public Disclosure Statement.

Only NCOS eligible carbon offsets will be utilised in this activity.

8.1 Offset Cancellation

Offsets surrendered for the FY2016 period were:

Table 7: Offset Cancellations

Offset type	Registry	Serial number	Quantity (t CO ₂ -e)
CER	Australian National Registry of Emissions Units (ANREU)	1,553,515 – 1,553,648	133
		74,743,640 – 74,743,772	132
		4,282,461 – 4,282,495	34
Total			299

8.2 Surplus Cancelled Offsets

Surplus offsets from the 2016 period are to be carried forward into the next reporting period for future use.

Table 8: Surplus Offset Cancellations from FY2016 – banked for future use

Offset type	Registry	Serial number	Quantity (t CO ₂ -e)
CER	Australian National Registry of Emissions Units (ANREU)	4,282,495 – 4,282,589	94
Total			94

9. Emission Reduction Results

MEA set the following emission reduction measures for the financial year 2016:

Target: 5% reduction in per full time employee equivalent for car and air travel.

- Air travel accounted for 68 tonnes per annum of Meridian's controllable emissions or around 1.7 tonnes per FTE in the 2015 financial year. The target was to reduce this amount to 1.6 tonnes per FTE in the 2016 financial year.
 - In the FY2016 year MEA achieved 1.9 tonnes per FTE.
- Car Travel accounted for 132 tonnes per annum of Meridian's controllable emissions or around 3.3 tonnes per FTE in the 2015 financial year. The target was to reduce this amount to 3.1 tonnes per FTE in the 2016 financial year.
 - In the FY2016 year MEA emitted 150 tCO₂-e or around 2.6 tonnes per FTE, meeting our emission reduction measures for the FY2016 period.

10. Emission Reduction Measures

Our emission reduction measures are covered in more detail in the Meridian Energy Australian Emissions Management Plan.

On a year to year controllable basis, key targets for improved management are – business travel, car travel and electricity consumed in premises. While not within MEA's control, MEA is also able to influence the emissions intensity of the market in which we operate.

MEA is setting a reduction target (per FTE) equivalent for car and air travel in the FY2017.


Air travel accounted for 107 tonnes CO₂-e for FY2016 of MEA's controllable emissions or around 1.9 tonnes per FTE. We are seeking to reduce this amount to 1.8 tonnes per FTE. MEA is investigating making all flights carbon neutral by taking up the carbon neutral option when booking flights with our preferred carrier, Qantas. Qantas is a certified carbon neutral organisation under the NCOS program.

Car travel (includes; owned, contractors, hire cars and taxi's) accounts for 163 tonnes CO₂-e per annum of MEA's controllable emission or around 2.8tonnes per full time employee. Our target is to reduce this amount to 2.7tonnes per full time employee. As participants in the Australian energy market, Powershop and MEA are positioned to influence the emissions intensity of this market. We do this both directly, by encouraging our own customers to use less electricity and giving them the tools to do so, and indirectly, by supporting efforts to encourage policies that will drive lower emissions (including supporting the continuation and integrity of the Renewable Energy Target (RET)).

Our Powershop retail business will continue to off-set all emissions produced by the generation of all the electricity purchased for sale to our customers. This 100% off-set is in addition to the LGCs surrendered to comply with our retailer obligations under the RET and the benefit that is attached to the purchase of GreenPower on behalf of our customers who elected to buy that product.

11. Declaration

To the best of my knowledge and having implemented the quality controls and standards required under the NCOS Carbon Neutral Program and made all appropriate inquiries, the information provided in this Public Disclosure Summary is true and correct.

Name:	Lynne Sutton
Signature:	
Position:	Company Secretary
Date:	28 Feb 2017

Appendix 1 – Corporate Group

Table 9 – Meridian Energy Australia Corporate Group

Company Name	Emissions Source	Legal structure	Economic Interest Held	Country	Operational Control	Comment
Three Rivers Holdings (No 2) Ltd	No (holding company)	Group company	NZ parent to Meridian Energy Australia Corporate Group	NZ	Yes	No activity, no emissions
Meridian Energy Australia Pty Ltd	Yes	Group company	100% via Three River Holdings (No2)	AUS	Yes	Included
Meridian Finco Pty Ltd	No	Group company	100% via Meridian Energy Australia	AUS	Yes	No employees, no physical assets, no emissions. Trading counterparty only.
Meridian Energy Markets Pty Ltd	No (AFSL licensee company only)	Group company	100% via Meridian Energy Australia	AUS	Yes	No activity, no emissions
Meridian Wind Monaro Range Holdings Pty Ltd	No (holding company)	Group company	100% via Three River Holdings (No2)	AUS	Yes	No activity, no emissions
Meridian Wind Monaro Range Pty Ltd	No (non-trading entity)	Group company	100% via Meridian Wind Monaro Range Holdings	AUS	Yes	No activity, no emissions

Company Name	Emissions Source	Legal structure	Economic Interest Held	Country	Operational Control	Comment
Mt Millar Wind Farm Pty Ltd	Yes	Group company	100% via Meridian Wind Monaro Range	AUS	Yes	Included
Meridian Australia Holdings Pty Ltd	No (holding company)	Group company	100% via Three River Holdings (No2)	AUS	Yes	No activity, no emissions
Meridian Wind Australia Holdings Pty Ltd	No (non-trading entity)	Group company	100% via Meridian Australia Holdings	AUS	Yes	No activity, no emissions
Mt Mercer Windfarm Pty Ltd	Yes	Group company	100% via Meridian Wind Australia Holdings Pty Ltd	AUS	Yes	Included
Powershop Australia Pty Ltd	Yes	Group company	100% via Three River Holdings (No2)	AUS	Yes	Included