

Summary of carboNZero certification: Meridian Energy Facility



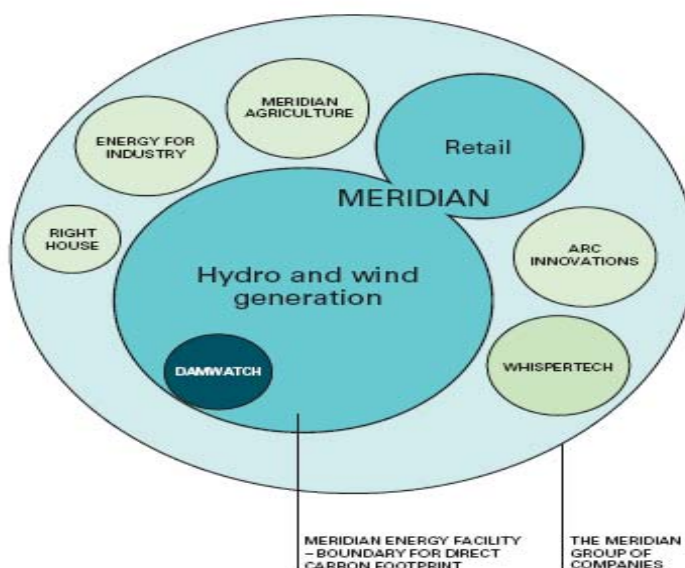
meridian

Introduction – Meridian Energy Ltd is a State Owned Enterprise and New Zealand’s largest renewable energy generator. Currently Meridian operates nine hydro stations in the South Island, the Te Apiti wind farm in the Manawatu, the White Hill Wind Farm in Southland, and a wind turbine in Wellington

In 2006 Meridian Energy made a commitment to becoming a carbon neutral company. Using Landcare Research’s carboNZero programme, Meridian began the journey toward carbon neutrality by ring-fencing the ‘energy facility’ responsible for Meridian’s core activity, generating and retailing electricity from renewable sources. Meridian achieved carboNZero certification for this facility in February 2007. Meridian is committed to progressing other ‘facilities’ towards carbon neutrality.

Boundary – The figure below illustrates the break-down of the Meridian Energy Group into a number of facilities for greenhouse gas (GHG) emissions accounting. The dark blue ‘double bubble’ shows the boundary used for the GHG emissions inventory of the Meridian “energy” facility and represents the parts of the company covered by the present carboNZero certification. The green circles represent separate facilities (subsidiary companies and non-electricity business units) not included in the inventory and not covered by the certification.

Note that non-trading entities are not shown in this diagram. These do not have any GHG emissions associated with them.



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The Meridian Energy facility inventory includes emissions from subsidiary company Damwatch. While Damwatch is technically a separate facility, in the period covered by the most recent inventory its emissions were insufficiently material to measure separately.

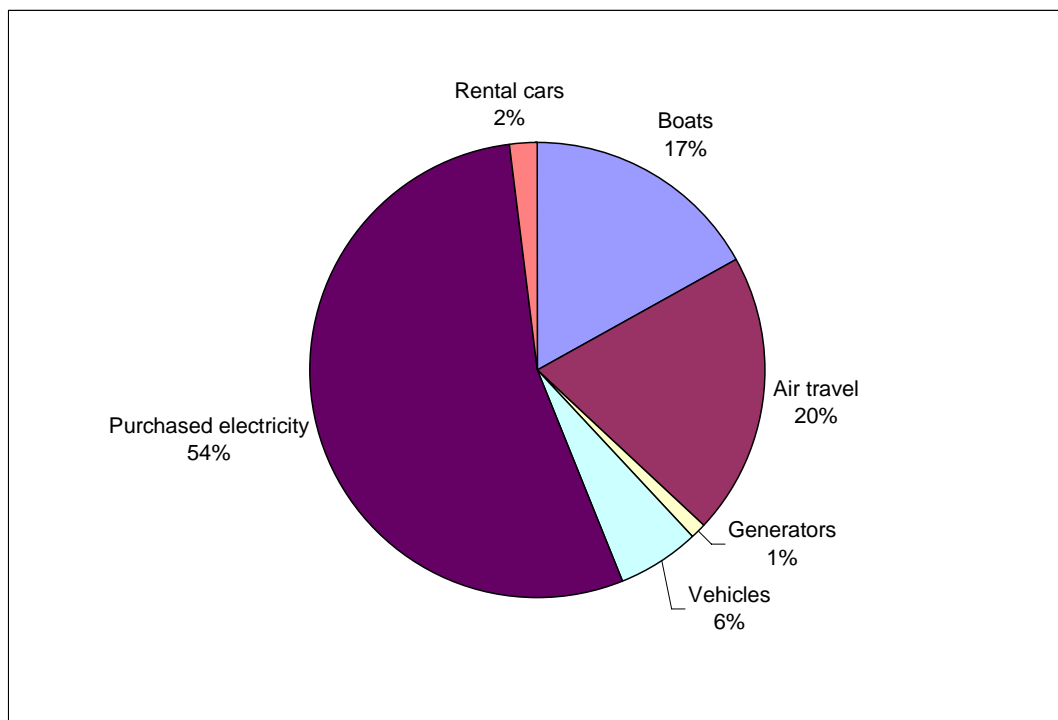
Agricultural emissions from farms owned by Meridian and associated sharemilking arrangements are not included in the energy facility. Currently, it is not technically feasible or cost effective to calculate emissions from farming operations at the entity level. Accordingly, no inventory has yet been prepared for the Meridian agriculture facility.

Contractors' emissions are generally excluded from the energy facility. Meridian works with suppliers to ensure that these emissions are managed and, where possible, minimised. Contractor emissions associated with major construction projects are reported and offset independently of the carboNZero process.

Financial instruments such as contracts for difference, and agency relationships such as Meridian Energy's grid-connected customers with Market Services Agreements are retail activities within the scope of the inventory for the energy facility but the electricity consumed by customers under these arrangements is not sold by Meridian and is not covered by the carboNZero certification.

Consolidation approach – Equity share

GHG emissions profile – the diagram shows the GHG emissions for the Meridian Energy facility by emissions source. Total emissions for the Meridian Energy facility for the 05/06 period were 4464 tonnes carbon dioxide equivalents (CO₂e) for the inventory boundary described above.



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GHG emissions reduction commitments – Meridian Energy has a GHG emissions management plan that has set targets and initiatives to reduce overall emissions on two levels:

- Direct initiatives to reduce the number and volume of emissions sources, including:
 1. Managing and reducing the fuel used in vehicles, boats and stand-by generators
 2. Managing and reducing the amount of air travel undertaken
 3. Reducing the amount of electricity used in office operations
 4. Minimising waste to landfill and maximising recycling efforts
 5. Incorporating carbon considerations into all business decisions, specifically reducing the carbon intensity of communicating with customers, and in planning for future projects; and
- Actions to help reduce the emissions of New Zealand as a whole, relating to gaining and protecting access to renewable energy sources for electricity generation, and using Meridian Energy's considerable reach and influence to encourage other New Zealanders to reduce their emissions.

While the plan has been developed specifically for the Meridian Energy facility as outlined above, it has been shared with the parts of the business that make up other facilities and these are implementing many of the initiatives.

Offset – 4464 tonnes CO₂e from Tararua II Wind Farm. Meridian Energy generates carbon credits from its own renewable energy projects including the Te Apiti and White Hill wind farms. However, these have not been used to offset the company's own emissions.

Verified by – Deloitte

Base year – 01/07/2005 to 30/6/2006

Status – carboNZero certified "organisation" covering Meridian Energy facility, electricity product and renewable generation, corporate and retail activities related to the electricity product.

Valid until – 30 June 2008