



Jemena

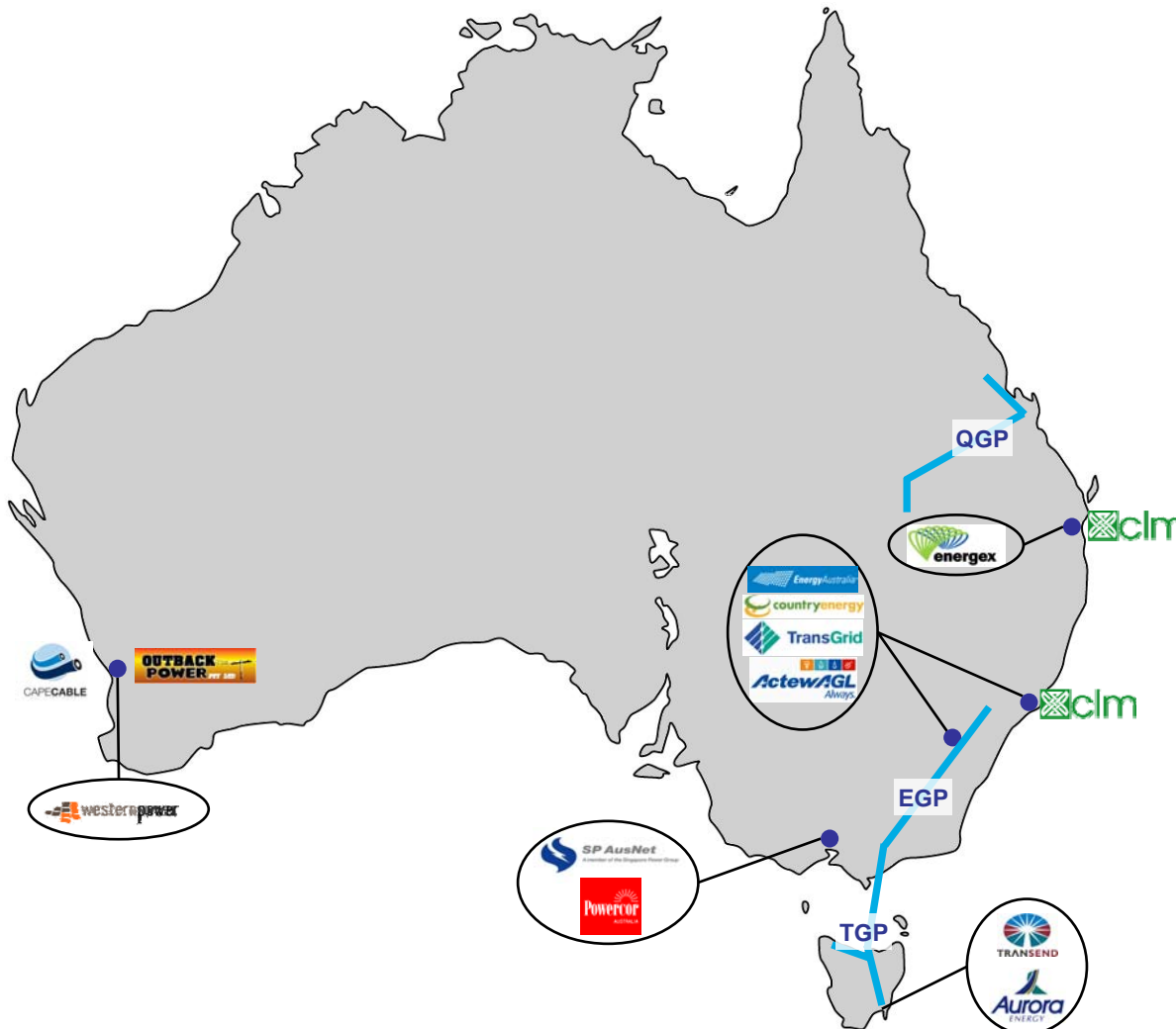


Power in a new era

CEDA Energy Forum



Who is Jemena?



- Owner, service provider and developer of gas, electricity and water assets
- Manage over \$8 billion worth of assets
- 1 in 8 Australians rely on Jemena for the safe, efficient delivery of their gas or electricity
- Born out of the sale of Alinta Ltd in 2007



Climate Change is here

Jemena believes that:

- The science is compelling
- The risk of future destructive and devastating extreme weather events on the Victorian and Australian community is high
- Recent events in Victoria over last 12 months in particular bring climate change adaptation to the forefront in infrastructure development and management



Climate Change Proofing Our Networks

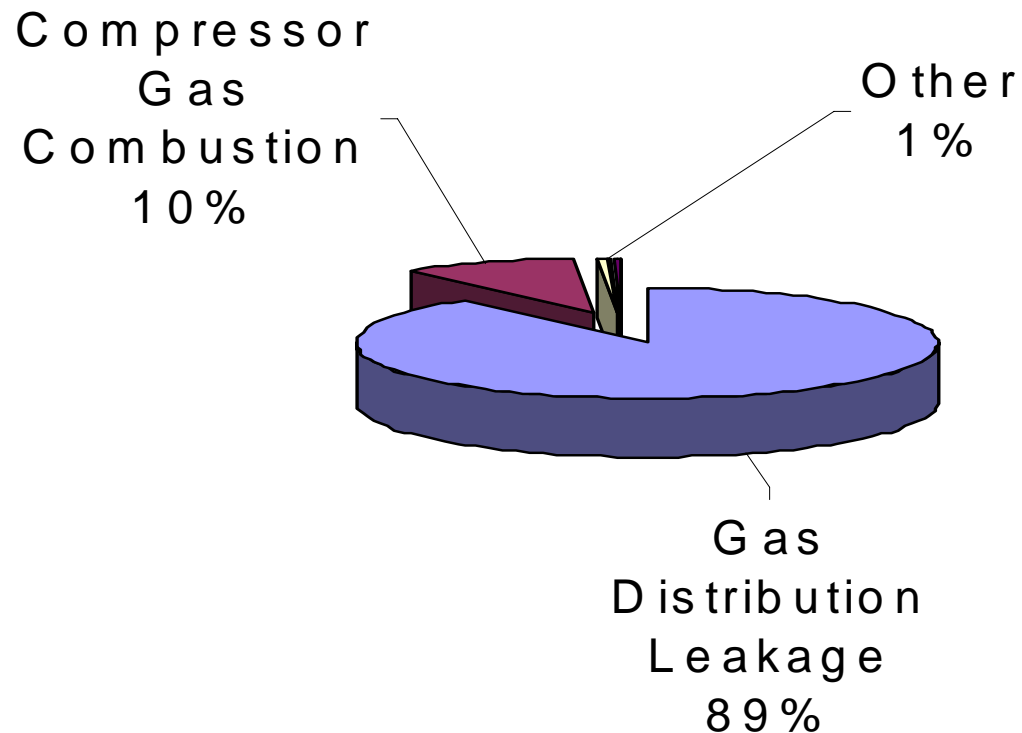
Network investment:

- Climate Change proofing our networks will require significantly increased investment
- There is an urgent need for Government and the Energy Sector to have ongoing discussions on this important issue
- Energy Network Regulator wants to reduce investment in networks by \$350M per year



Jemena's Emissions Footprint

- NGERS methodologies being finalised
- Scope 1 emissions (direct from Jemena networks)





Jemena and the CPRS

- Risks for current owned/operated assets and opportunities for asset development
- Some upside likely in the longer term, however challenging commencement dates of the CPRS and NGERs legislation means greater downside risk to Jemena in the short term
- Asset development opportunities include:
 - Increased use of gas for electricity generation
 - PV and wind
 - Geothermal



Jemena and the CPRS

Identified risks:

1. Cost pass through for Regulated networks – likely to be facilitated via price reviews
2. Cost pass through for Unregulated networks – uncertainty of pass through needs to be addressed by Government for the CPRS price signal to be effective
3. Capturing increased cost of emissions-intensive network components and materials in price reviews
4. Effectiveness and efficiency of energy markets is compromised by unnecessary regulation



Jemena





Jemena and the expanded Renewable Energy Target

Opportunities:

- Presents asset development opportunities to support wind farms and other renewable generation (eg solar/thermal, wave and geothermal)

Risks:

- Ensuring electricity network stability and reliability due to more distributed energy generation
- Capturing increased cost of electricity-intensive network components and materials in price reviews



Jemena Climate Change Policy

Climate change policy elements:

- Seek to minimise our carbon footprint.
- Partner with others to provide cleaner and renewable energy sources.

These policy measures underpin Jemena's climate change initiatives.



Jemena Climate Change Initiatives

- Climate Change Work Streams
 - Climate Change Adaptation
 - Emissions Footprint Verification
 - Energy efficiency
 - Emissions reduction
- Smart Meter roll out (AIMRO)
- Energy efficiency and greenhouse abatement assessment of the Longford Compressor Station