

A few
words.



Dear Sir/Madam,

CEO liability for meeting NGER deadline

Responding to the financial risks posed by climate change regulation is one of the key issues facing business today. AGL has been preparing for a carbon constrained future for several years. In addition, we have been working closely with many of our major commercial and industrial customers to assist in their preparation for emissions trading. We have advocated strongly to Government on behalf of our commercial and industrial customers in this context.

As a member of the Business Council of Australia Sustainable Growth Task Force, I am at the forefront of discussions around sustainability, carbon and renewable energy. AGL has significant expertise to assist our customers reduce their energy bills and increase their efficiency. I have detailed some of this expertise and some of the requirements your business may have over the coming months.

The *National Greenhouse and Energy Reporting Act 2007* (NGER Act) was passed in September 2007 establishing a mandatory reporting system for corporate greenhouse gas emissions (GHG), energy production and consumption. The first annual reporting period concludes in June 2009.

Businesses will be required to register under the Act no later than 31 August 2009. We believe that your business may have a reporting obligation. Penalties of up to \$220,000, plus daily penalties of up to \$11,000 for continued non-compliance can be applied under the Act to both the corporation and the CEO.

To determine whether your business has a legislated requirement to report consider the following:

QUESTION	COMMENT
Do you have a facility which consumes 100TJ of energy (as fuel, electricity, steam or heating) or emits more than 25,000 tonnes of CO ₂ -e per annum?	This equates to an approximate spend of \$300k on natural gas, \$1 million for electricity, > \$2 million for fuel or a combination of these
Do you have a corporation which collectively consumes 500TJ of energy (as fuel, electricity, steam or heating) or emits more than 125,000 tonnes of CO ₂ -e?	This equates to an approximate spend of \$1.5 million on natural gas, \$5 million for electricity, > \$11 million for fuel or a combination of these

If you answered yes to either question, your organisation may have an obligation under the Act.

Its not too late.

However, I recommend that assessments commence soon to finalise the organisational structure for reporting to ensure that appropriate data is being collected and systems in place. Having been in this position at AGL, we know that this exercise can be as complex and time consuming.

AGL can help.

AGL has been reporting its corporate GHG emissions for well over a decade and in 2004 AGL became one of the first Australian corporates to report GHG emissions at operational, equity and

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series



supply levels. AGL has received multiple awards and been included on the FTSE4Good and Dow Jones Sustainability Indices.

Should you believe your organisation requires assistance in completing the 2008/2009 NGER submission or its associated requirements, I would welcome you or your designate to contact James Hunt (Senior Greenhouse Gas Advisor) of AGL's Carbon Management Services Group on 02 9921 2072 to define a proposal for works.

Yours sincerely,

Michael A. Fraser

Managing Director, AGL Energy