



WWF *for a living planet*[®]

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Statement

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WWF stands by Alcoa scorecard rating, revises AGL rating upwards

On September 3, WWF released a Fossil Fuel Power Generator Scorecard that highlighted the major Australian power companies currently unprepared for a low carbon future.

The scorecard rated the major fossil fuel power generator's generation mix, policies and low emission research, development and investment. This was done with a view to informing recent discussion around proposals to provide compensation to electricity generators and other "strongly affected" industries under the Government's Carbon Pollution Reduction Scheme Green Paper.

The scorecard awarded 2 stars to firms which had more than 50 per cent of their generating capacity comprised of gas or renewable power stations. One star was awarded to firms with 10 to 50 per cent of their generating capacity gas or renewable. Firms with less than 10 per cent of their generating capacity gas or renewable received no stars. One star was awarded for a quantified emission reduction target and 1 or 2 stars for investment in low emission research or renewable energy.

WWF wrote to all firms audited, requesting information in relation to generating capacity and low emission research, development and investment. In instances where WWF did not receive a response, it relied upon the list of principle power stations appended to the House of Representatives' recent inquiry and subsequent report into geosequestration technology¹. The conservation organisation also referenced company websites and annual and sustainability reports.

Alcoa did not respond to WWF's request for information.

Alcoa has a single brown coal-fired power station at Anglesea in Victoria. The power station is one of the oldest and most polluting in the country and does not have an emission reduction target. It is irrelevant that Alcoa could make the situation worse – as it suggests in its September 4 response to the scorecard² - by closing the plant and using power from even more polluting Victorian power stations. Alcoa has not reduced emissions from Anglesea.

Alcoa asserts that it has a gas-fired power station in its Pinjarra refinery. This power station is not listed in the House of Representatives' report and material on Alcoa's website suggests that this plant only provides steam to Alcoa's operations - with another firm being the owner of the electricity generated by this plant³. If Alcoa does indeed have a gas-fired power station, it is unfortunate it did not respond to WWF's letter so that information could be incorporated.

¹ *Between a Rock and a Hard Place the science of geosequestration:*
<http://www.aph.gov.au/house/committee/scin/geosequestration/report.htm>, accessed 9 September 2008.

² http://www.alcoa.com/australia/en/news/releases/2008093_responsetowwf.asp, accessed 10 September 2008

³ http://www.alcoa.com/australia/en/news/releases/second_cogen_unit_20041221.asp, accessed 9 September 2008

Alcoa has not adopted quantified pollution reduction targets in respect of its electricity generation capacity. It has adopted global emission reduction targets in respect of its direct emissions (essentially industrial process but no doubt including some electricity generation). However, these targets are not reduced to a national level. There is little point in adopting global targets if attempts by Australian Governments to reduce emissions are met by opposition by Alcoa nationally.

As for Alcoa's carbon sequestration technology trials, these relate to industrial process emissions - not electricity generation - so were not scored. WWF-Australia was unable to find any evidence of Alcoa investing money in low emission energy generation research and development or renewable energy generation for its power plants although a variety of general assertions were made of "support".

WWF-Australia also disputes the claim that if Alcoa withdraws from Australia it will have a negative impact on the environment. Alcoa's website at www.alcoa.com/global/en/investment/pdfs/2Q08_Analyst_Presentation.pdf clearly indicates that Alcoa's proposed new smelters will be built in locations where hydro or geothermal zero emission power will be used instead of highly polluting coal.

While refuting Alcoa's response, WWF-Australia admits to an error of fact in relation to AGL on the Power Generator Scorecard. WWF-Australia awarded three stars to AGL instead of four – the additional star awarded for 'Low Emission Generation Mix'. This error arose from a typographical error in the analysis documents. WWF apologises to AGL for this error.

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Fossil Fuel Power Generators Positioning for a Low Carbon Future

Firm ¹	Low Emission Generation Mix ²	Pollution Reduction Targets ³	Low-emission Research & Investment	Ranking out of 5 Stars
AGL	★ ★	NIL	★ ★	★ ★ ★ ★
Alcoa	NIL	NIL	NIL	NIL
Babcock & Brown	★ ★	NIL	★ ★	★ ★ ★ ★
CS Energy	★	NIL	★ ★	★ ★ ★
Delta Electricity	NIL	NIL	★ ★	★ ★
Eraring Energy	NIL	NIL	★ ★	★ ★
Ergon Energy	★ ★	NIL	NIL	★ ★
HRL Limited	NIL	NIL	★ ★	★ ★
Intergen	NIL	NIL	NIL	NIL
International Power	★	NIL	★ ★	★ ★ ★
Loy Yang Power	NIL	NIL	★ ★	★ ★
Macquarie Generation	NIL	NIL	★ ★	★ ★
Origin Energy	★ ★	★	★ ★	★ ★ ★ ★ ★
Rio Tinto	NIL	NIL	NIL	NIL
Stanwell Corporation	NIL	NIL	★ ★	★ ★
Tarong Energy	NIL	NIL	★ ★	★ ★
Transfield Services Infrastructure Fund	★ ★	NIL	★ ★	★ ★ ★ ★
TRUenergy	★	★	★ ★	★ ★ ★ ★
Verve Energy	★ ★	NIL	★ ★	★ ★ ★ ★

¹ WWF wrote to each of the listed firms requesting information about the proportion of its electricity generation contributed by coal, gas and low emission sources of energy such as wind and solar power, and the extent of its investment in low emission electricity research and development. WWF thanks AGL, HRL Limited, Macquarie Generation, Transfield Services Infrastructure Fund, Stanwell Corporation Limited and Tarong Energy for their responses. In all other cases WWF relied on publicly available information such as annual reports, sustainability statements and the firm's website. Marubeni Corporation was inadvertently not contacted and is therefore not included.

² Low emission generation mix is scored as follows: 2 stars are awarded where more than 50% of total generating capacity is comprised of gas or renewable energy; 1 star is awarded where 10% to 50% of generating capacity is comprised of gas or renewable energy; no stars are awarded if less than 10% of total generating capacity is comprised of gas or renewable energy. Large hydroelectric generators are not included as they have limited opportunity to increase supply.

³ Publicly available quantified emission reduction targets receive 1 star.