

EnergyAustralia Climate Change Statement

September 2021

EnergyAustralia is committed to Australia's transition to net zero emissions - with cleaner, reliable and affordable energy for customers.

We are transforming our generation portfolio, investing in cleaner forms of energy as we build the new power system, while reducing the emissions from existing assets that are needed to keep the lights on.

We are helping our customers to reduce their own emissions with innovative and affordable products and services that blend customer assets with the grid.

We are proud of the contribution our assets and our workforce make to the economic prosperity of our local communities and our nation.

We undertake this transition with our people and our communities respectfully and responsibly, with planning, consultation, and support.

This Climate Change Statement highlights our current targets to reduce emissions and the practical steps that we are taking now to lead and accelerate the clean energy transformation for all.

But this is not the end of the story. We will review and revise our targets as we find new opportunities and deploy new technologies so that we reduce our emissions further. We will update this Climate Change Statement to reflect the progress we are making.

Targets:

To reach net zero greenhouse gas emissions by 2050¹

To reduce our direct² carbon dioxide emissions by over 60% on 2019-20 levels in 2028-2029

To transition out of coal assets by 2040



Our commitment to reduce emissions

- We will transition out of coal assets by 2040, in a manner that ensures reliability of supply for our customers and supports our workers and our communities.
- In March 2021, we announced our plan to close the Yallourn coal-fired power station in mid-2028. We will support the transition with battery storage capacity before Yallourn retires and have committed a multimillion-dollar package to support the workforce.
- Yallourn's accelerated retirement will lower EnergyAustralia's Scope 1 carbon dioxide emissions by over 60% relative to today, accelerating our transition to net zero emissions by 2050
- We will not build another coal-fired power station.
- We will create a net zero transition plan and track our progress (including identifying pathways to zero Scope 1 greenhouse gas emissions by 2050).



Our commitment to consultation and engagement

- Adopting the standards and approach taken for Yallourn power station as a benchmark, we will:
 - work with governments, regulators, and other stakeholders to provide as much notice as possible to our people and communities regarding future closure decisions, including rehabilitation of sites and alternative uses
 - provide support to our workforce, tailored to the needs of individuals, to help them plan for a secure and rewarding future.



Our commitment to invest in the clean energy transition

- In March 2021, we committed to build the Wooreen battery – a four-hour, 350MW battery that will be built by 2026 and located at our Jeeralang power station.
- In May 2021, we committed to build Australia's first net zero emissions hydrogen and gas-capable power plant. Direct carbon dioxide emissions from Tallawarra B will be offset over the 300+MW plant's operational life, and EnergyAustralia will offer to buy 200,000kg of green hydrogen per year from 2025.

¹ Scope 1, 2 and 3 emissions
² Scope 1 emissions



Our commitment to invest in the clean energy transition (continued)

- In May 2021, construction commenced on the 250MW Kidston pumped hydroelectricity storage project, the first in the National Electricity Market in nearly 40 years. EnergyAustralia will be the market operator of the plant under a long-term contract.
- In 2018, we supported Victoria's first two battery storage facilities with a combined capacity of 55MW and storage of 80MWh. This is enough to power around 40,000 homes for an hour of critical peak demand before being recharged.
- EnergyAustralia half-owns the Cathedral Rocks wind farm and has the rights to more than 800 MW of solar and wind farm power purchase agreements. Through these long-term agreements we underpin around 6.5 per cent of the large-scale wind and solar projects in the National Electricity Market.
- We are committed to operating our assets more flexibly to complement and support increasing penetration of cleaner forms of energy.
- We are prioritising new low emissions development opportunities in the areas of our existing assets to optimise the use of existing connections to the grid and, where possible, to support our communities.



Carbon neutral energy for our customers

- Since 2016, we have given our customers the opportunity to offset their emissions from home electricity use, through our *Go Neutral* program at no extra cost to them. We expanded our *Go Neutral* program to gas in May 2020.
- We added Business Carbon Neutral in June 2020, helping our business customers offset their electricity emissions and display their carbon credentials.
- EnergyAustralia has around 300,000 customers choosing to have carbon offsets, and we have offset over 2.8m tonnes of carbon dioxide to date.
- EnergyAustralia now has the largest Climate Active certified offset offering in the Australian energy sector, and the second largest in the country.
- We buy only Australian carbon offsets (ACCUs) and quality accredited international units, consistent with the government-backed Carbon Neutral Standard.



Rooftop solar

- EnergyAustralia has installed over 40MW of rooftop solar for use by our customers.
- We are active in large commercial and industrial solar, high efficiency LED lighting installations and exploring storage solutions through our ownership and ongoing investment with Echo Group.
- We are leading a trial of an affordable electricity plan offering customers high quality rooftop solar and battery systems with no upfront cost.
- We also offer rewards for those with existing batteries joining our Virtual Power Plant.



Innovation

- We are committed to fostering innovation, partnering with Startupbootcamp to engage across 30 cities and assess over 7,900 start-up ventures relevant to Australia's energy sector.
- We are a leader in demand response:
 - EnergyAustralia's demand response capacity now stands at over 157MW. This includes more than 360,000 household customers in our PowerResponse programme
 - our demand response programs help smooth the transition by lowering peak demand across the energy system, so that it's not necessary to build as much new generation.

Further Information

EnergyAustralia has over 4,500MW in electricity generation capacity in addition to our PPAs, providing dispatchable and affordable wholesale electricity that powers the services we provide our 2.4 million customer accounts.

We will continue to provide detailed disclosures through our parent company CLP Holdings, including the Sustainability Report and Carbon Disclosure Project. The CLP 2018, 2019 and 2020 Sustainability Reports won the Australasian Reporting Awards Private Sector Sustainability Reporting Award. The CLP Group has detailed targets under its updated 'Climate Vision 2050' and supports the Taskforce for Climate-related Financial Disclosures.