

Summary of carboNZero certification:



Contact Energy Limited

Contact Energy Limited meets the requirements of the carboNZero^{Cert™} certification having measured its greenhouse gas emissions in compliance with the requirements of ISO 14064-1:2006, committed to managing and reducing its remaining unavoidable emissions through the cancellation of an appropriate number of verified carbon credits in respect of its New Zealand Corporate Office Operations including head office, call and service centres, and Rockgas offices.



Introduction¹ – Contact Energy supplies energy to more than six hundred thousand customers. Contact Energy operates ten power stations generating around 25 per cent of New Zealand's electricity and is one of the country's largest wholesalers and retailers of natural gas. Contact Energy is one of the country's largest listed companies and one of New Zealand's most widely held stocks with over 81,000 shareholders. Contact Energy employs about 1000 people throughout New Zealand. It has a number of offices around the country, within and outside of generation facilities and on 1 September 2007 acquired the Rockgas business with additional office accommodation and distribution sites, some of which are franchise operations.

Contact has been in operation since 1996, when it acquired a portfolio of electricity generation and gas assets from the state owned electricity generator, ECNZ (Electricity Corporation of New Zealand). The Company was listed on the New Zealand Stock Exchange in May 1999. In October 2004, Origin Energy became the major shareholder with a 51.4 per cent stake in the company.

Contact has been an active participant in the discussions around climate change and the introduction of an emissions trading scheme to price carbon emissions. During the period in review, Contact has made strong progress in advancing a \$3 billion investment development programme in renewable electricity generation projects and projects to support renewable investment. Contact has also undertaken a range of initiatives to ensure the environmental impacts of our own operations, such as our offices across the country, are minimised.

Boundary – the diagram below shows the organisational structure used for describing Contact's greenhouse gas (GHG) emissions inventory, and which business units were included in the carboNZero certification.

The parts of the structure (business units) in red have been identified as being excluded from the inventory. The percentage figures indicate the level of ownership by Contact.

¹ **Disclaimer:** This Disclosure Statement is a summary of the verified information considered for certification and the certification decision. It should not be taken to represent the full submission for certification. While every effort has been made to ensure that the information in this Disclosure Statement is accurate and complete, Landcare Research does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.

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The parts of the structure (business units) in green have been identified as being within the emissions inventory considered as part of the carboNZero certification for Corporate Office Operations. Certification from the carboNZero programme relates only to emissions from corporate office activities, including those corporate activities associated with the generation sites.

All activities associated with the supply and customer consumption of energy are excluded from the application for carboNZero certification.

Some of the business units in the figure above are holding companies and therefore do not have any emissions.

Operations outside of New Zealand are also not included as the boundary has been set for New Zealand operations only.

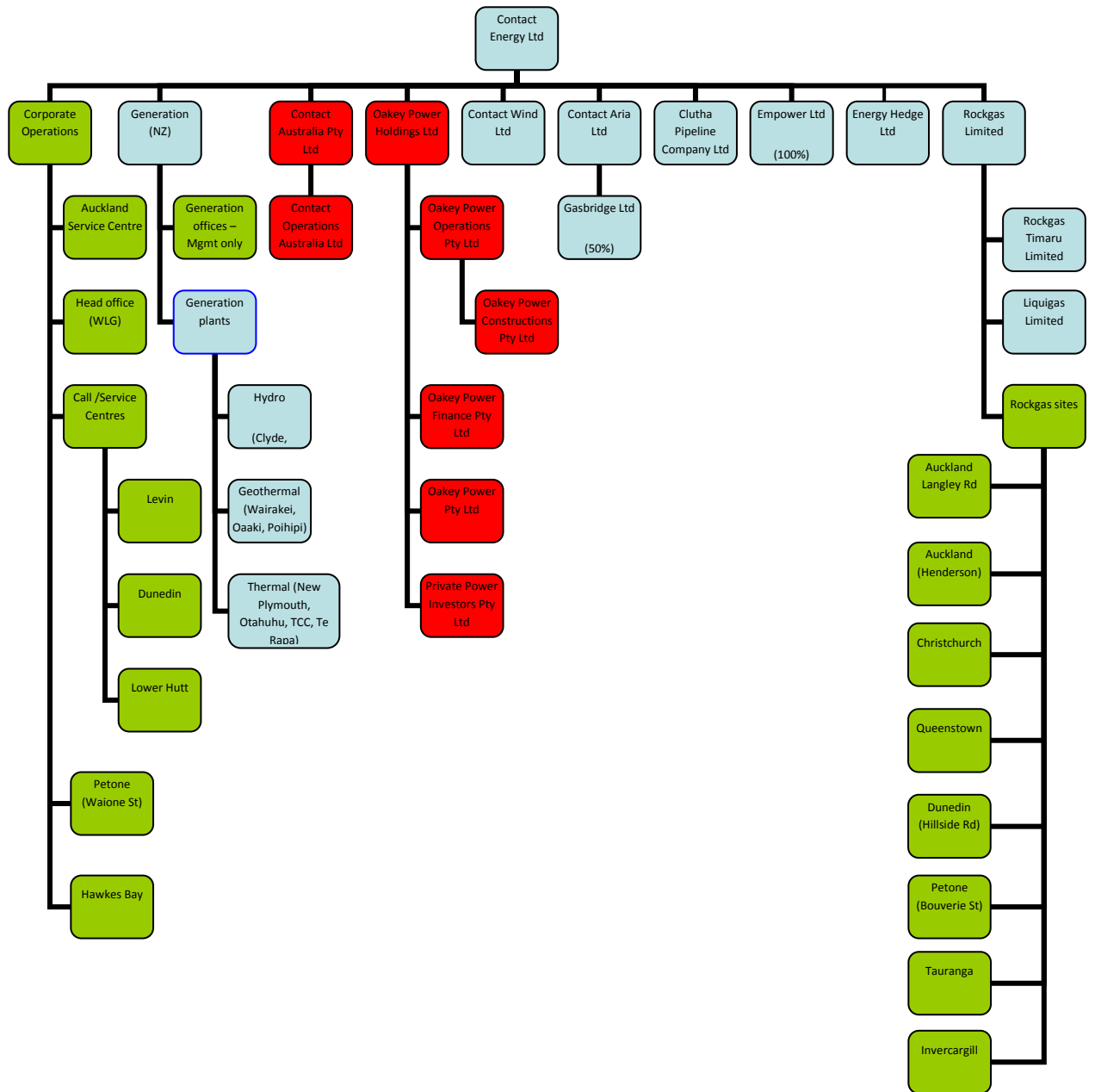
Rockgas franchises where the operational control sits with the franchisee are not included.

Rockgas filling stations for LPG where there is no office function are excluded from corporate office operations and these emissions will not be included in the number of credits sought to offset unavoidable emissions through the carboNZero programme.

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Consolidation approach – Operational control

Base year – 01/07/2007 to 30/06/2008

Measurement period – 1/07/2009 to 30/06/2010

GHG emissions source inclusions – the diagram below shows the operational GHG emissions for Contact’s operations by emissions source.

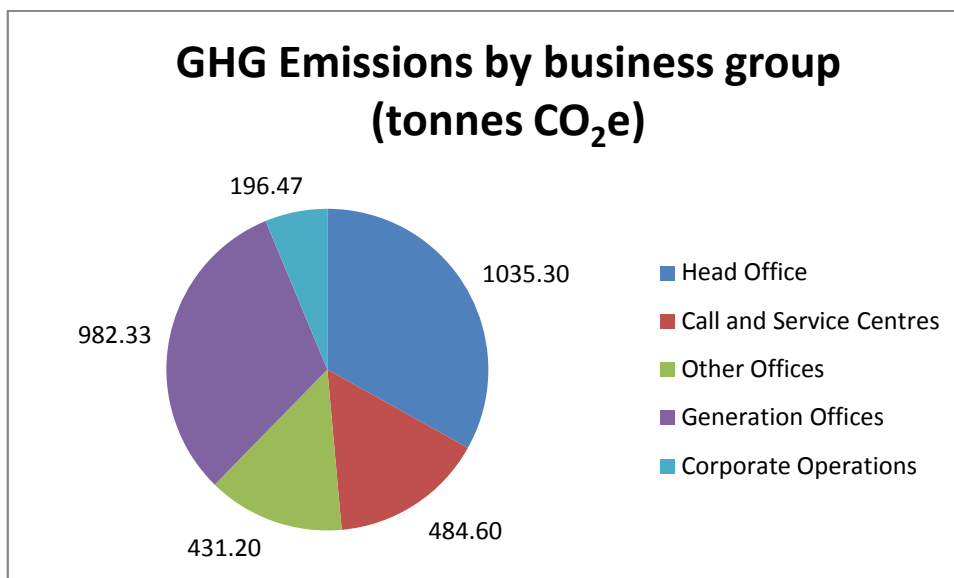
Staff and office emissions from the Whirinaki station have been included as Contact holds the management contract to run the plant on behalf of the owner.

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Contact's Corporate office operations total emissions for this period were 3,129.90 tonnes carbon dioxide equivalents (CO₂e), shown in the diagram below. This comprised 625.81 tonnes CO₂e Scope 1, 510.88 tonnes CO₂e Scope 2 and 1,993.20 tonnes CO₂e Scope 3 emissions.



GHG emissions source exclusions – Emissions from activities associated with the generation of electricity are not included in the carboNZero inventory.

Emissions associated with burning of LPG and natural gas sold to Rockgas and Contact customers have not been included as Contact does not burn the gas, it just supplies it to customers for their use.

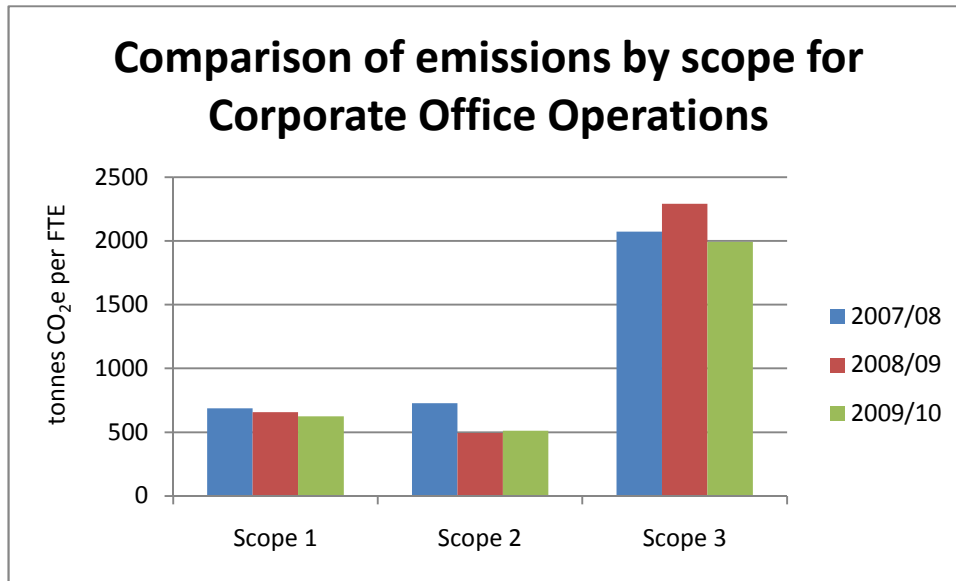
Emissions created by use of couriers has also been omitted from both inventories as considered to be *de minimis* and has been estimated at less than 0.2% of Contact's Corporate Office emissions.

GHG emissions reduction commitments – Contact has developed a GHG emissions reduction plan for its Corporate Office Operations. Some projects in this plan include:

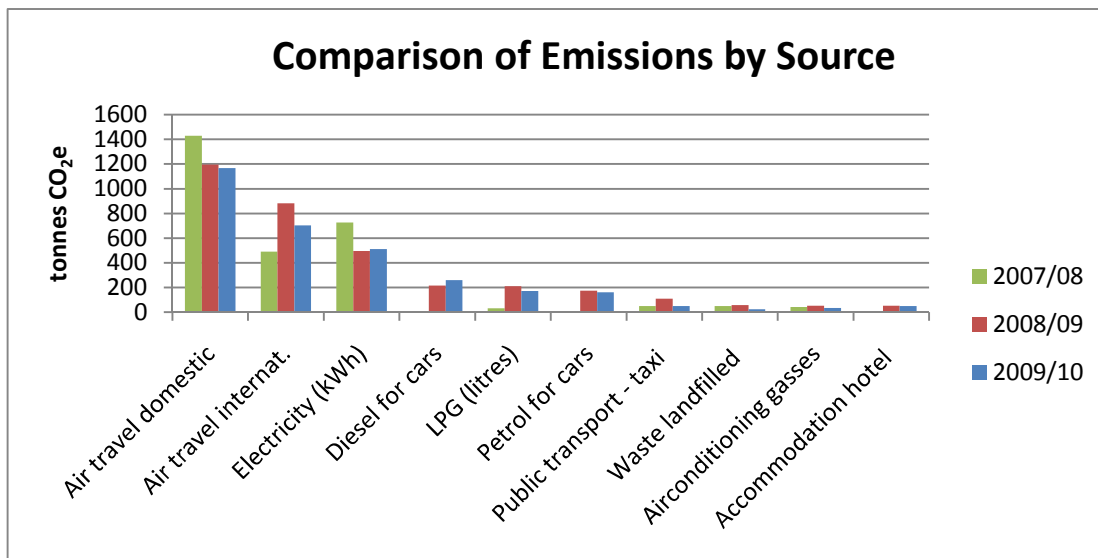
- Reduce land transport emissions from fleet vehicles per FTE by 1% by 30 June 2011
- Reduce air transport emissions per FTE by 2% by 30 June 2011

GHG emissions reduction report against last year's plan – GHG emissions for Contact's Corporate Office Operations were 3,129.90 tonnes of CO₂e for the period 1/7/09 to 30/6/10, whilst there were 3,443.11 tonnes of CO₂e for the period 1/7/08 to 30/6/09. This is a decrease of 313.21 tonnes CO₂e.

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Note: the above table shows a reduction in scope 2 emissions, i.e. electricity, although Contact’s consumption of electricity increased from 2007/08 to 2008/09. The reduction in the number of tonnes of CO₂e shown above is due to a reduction in the emission factors between the two periods.



Offset – – 3,200 tonnes CO₂e VERs² from Palmerston North Landfill Gas Project in New Zealand (Awapuni) serial numbers VCS-VER-NZ-100000000000158-010112005-31122005-31122005-1705743-1708942-MER-0-P to VCS-VER-NZ-100000000000158-010112005-31122005-31122005-1705743-1708942-MER-0-P have been retired on the Markit registry.

² VERs are created by eligible projects for emissions reductions achieved up to the end of 2008.

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Verified by – Deloitte.

Threshold of materiality – excluded emissions do not exceed 5% of the total footprint for organisation and product boundary stated.

Level of assurance – reasonable assurance

Certification status – carboNZero certified “organisation” covering Contact’s Corporate Office Operations.

Certificate number – 2011003J

Valid until – 31 October 2013

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