

Contact Energy Limited

Contact Energy Limited meets the requirements of carboNZero^{Cert™} certification having measured its greenhouse gas emissions in compliance with ISO 14064-1, committed to reducing its emissions and neutralised its remaining unavoidable emissions in respect of its corporate operations.



Introduction¹ – Contact Energy supplies energy to more than 600,000 customers. It operates nine 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 is one of the country's largest listed companies and one of New Zealand's most widely held stocks with over 82,000 shareholders. It employs around 1,000 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 Rockgas LPG with additional office accommodation and distribution sites, some of which are franchised.

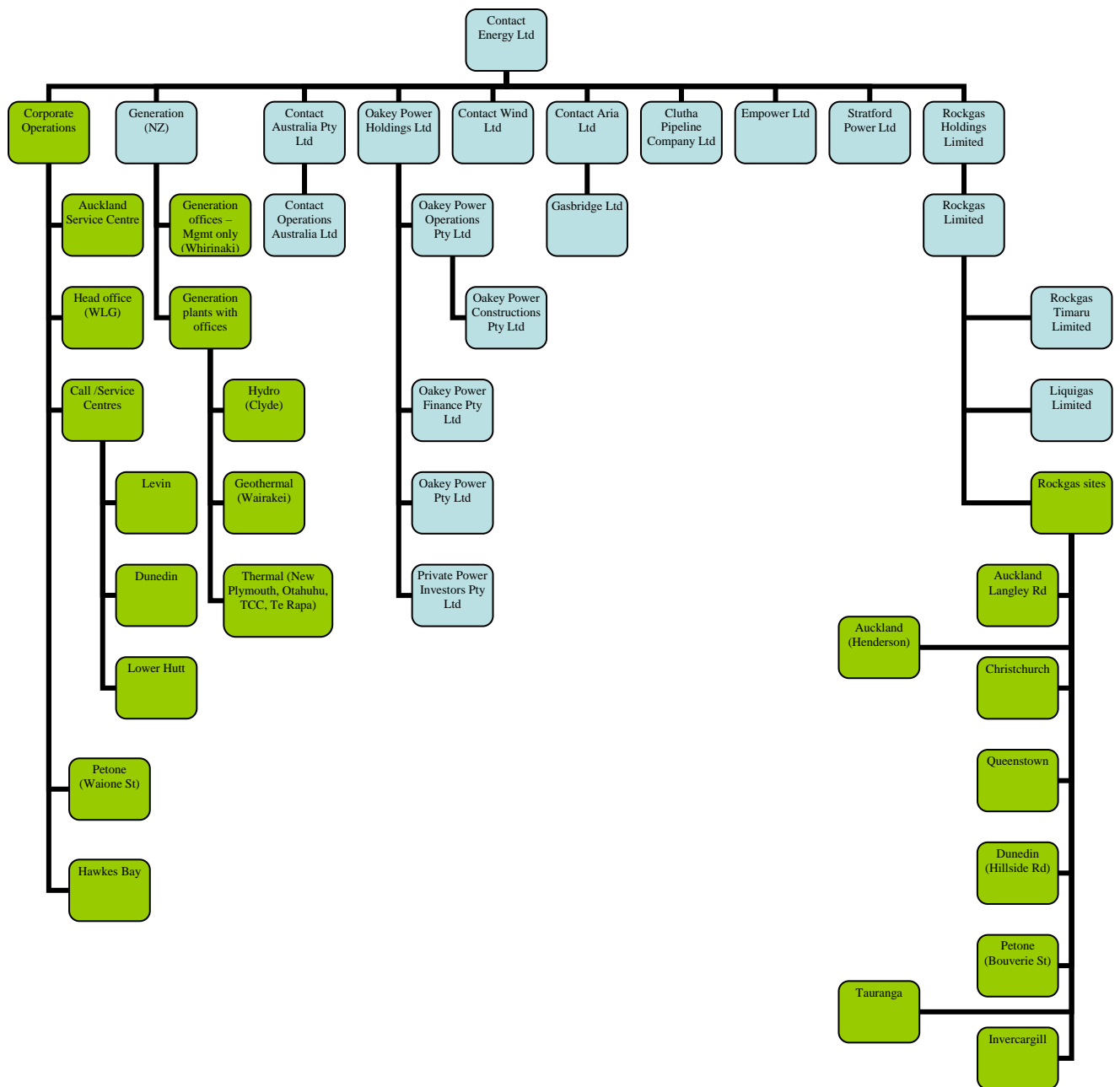
Contact has been in operation since 1996, when it acquired a portfolio of electricity generation and gas assets from the state owned electricity generator, ECNZ (Electricity Corporation of New Zealand). The Company was listed on the New Zealand Stock Exchange in May 1999. In October 2004, Origin Energy became the major shareholder and holds 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 its development programme in electricity generation projects and projects to support renewable investment. Contact has also undertaken a range of initiatives to ensure the environmental impacts of its operations, such as 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. Blue business units were excluded from the certification.

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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All activities associated with the generation, supply and customer consumption of energy are excluded. Certification therefore relates only to emissions from corporate office activities, including those corporate activities associated with the generation sites.

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 in the inventory.

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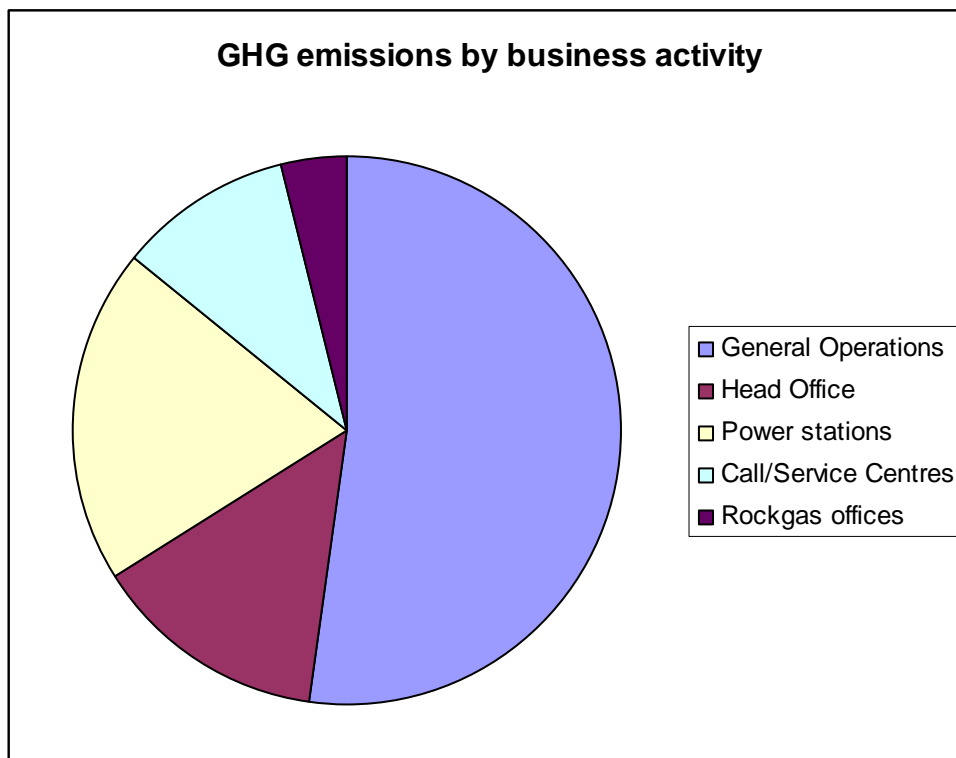
Rockgas franchises where the operational control sits with the franchisee are not included, nor are Rockgas filling stations for LPG where there is no office function.

Consolidation approach – Operational control

Base year – 1/7/07 – 30/6/08.

Measurement period – 1/7/07 – 30/6/08.

GHG emissions source inclusions – the diagram below shows the operational GHG emissions for Contact corporate office operations by emissions source. Contact's Corporate office operations total emissions for this period were 3,487.11 tonnes carbon dioxide equivalents (CO₂e) comprising 687.98 tonnes CO₂e Scope 1, 726.52 tonnes CO₂e Scope 2 and 2072.61 tonnes CO₂e Scope 3 emissions.



GHG emissions source exclusions – Refrigerants are not included as these are only used in staff fridges and are therefore considered *de minimis*.

Emissions from generation plants have not been included as these facilities fall outside of the scope of this inventory.

Emissions created by use of couriers have been omitted as these are considered to be *de minimis* estimated at less than 0.2% of Contact's Corporate Office emissions. In addition the data available was minimal. Better quality data will be collected for future certifications.

Summary of carboNZero certification:

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

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

- Reduce electricity consumption by 1% per FTE by the end of June 2010
- 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
- Reduce the number of reams of paper used in 07/08 year by one sixth to less than 2,258 reams for the 08/09 year

Offset – 3,500 tonnes CO₂e comprising 2,500 VERs² from Tararua II Wind project serial numbers G77040059-2005-0007501 to 0010000 and 1,000 VERs from Palmerston North Land Fill Gas Project (Awapuni) serial numbers PREVER-CMSLTD-AWAPUNI-07-0000021253 to 0000022252 have been retired on the Markit Registry.

Verified by – Deloitte

Threshold of materiality – Excluded emissions do not exceed 5% of the total footprint for corporate operations boundary stated.

Level of assurance – Reasonable assurance

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

Certificate number – 2009055J

Valid until – 30 September 2009.

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² VERs are created by eligible projects for emissions reductions achieved up to the end of 2007.