

Summary of CEMARS certification:



Contact Energy Limited

Contact Energy Limited meets the requirements of CEMARS™ certification having measured its greenhouse gas emissions in compliance with ISO 14064-1 and committed to reducing its emissions in respect of its organisation including electricity generation within New Zealand.



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 CEMARS 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.

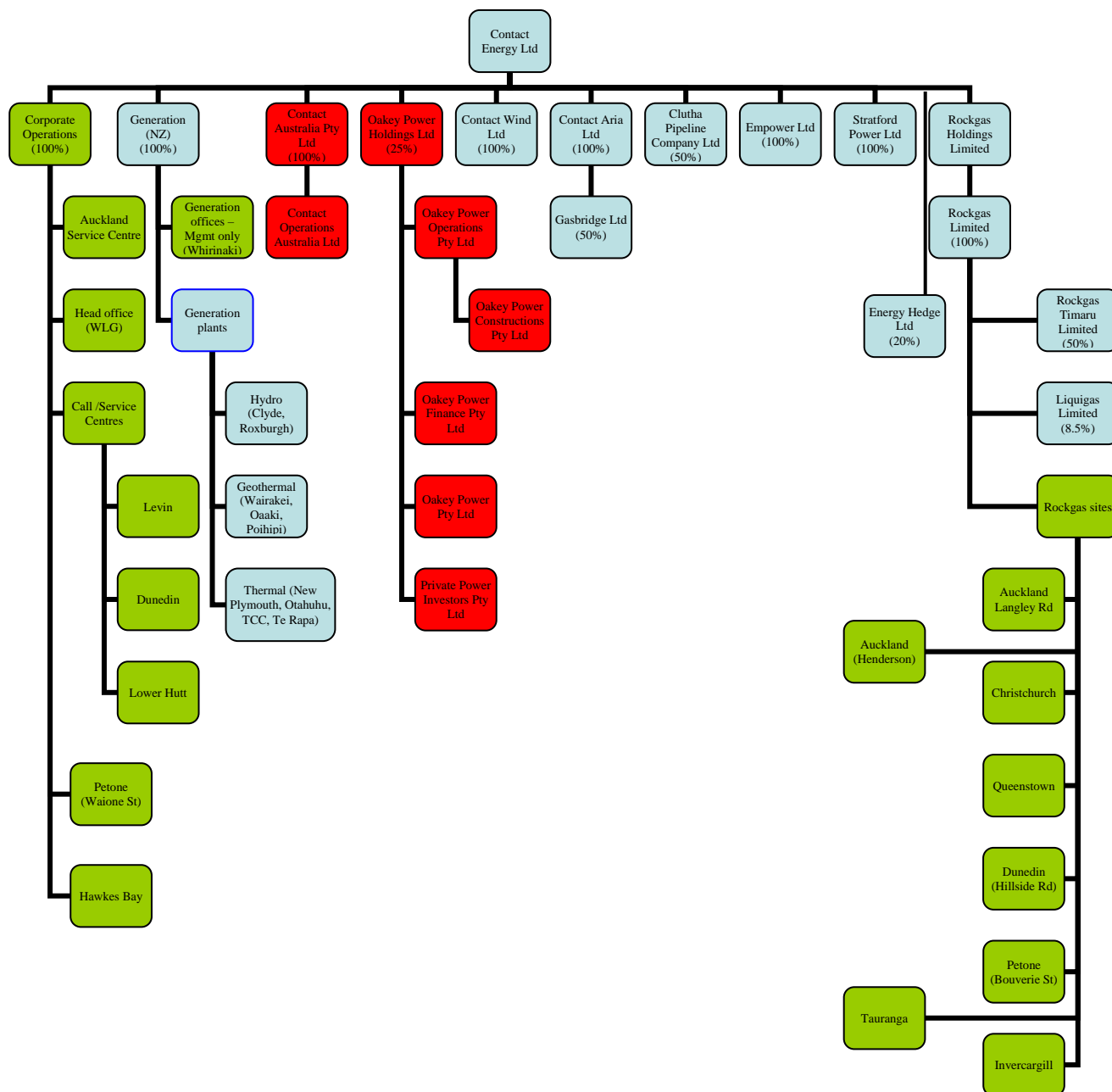
The parts of the structure (business units) in green or blue have been identified as being within this emissions inventory and together form part of the company included in CEMARS certification.

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 supply and customer consumption of energy are excluded from CEMARS 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 in either inventory 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 and electricity generation activities have been quantified and reported for CEMARS certification.

Consolidation approach – Operational control

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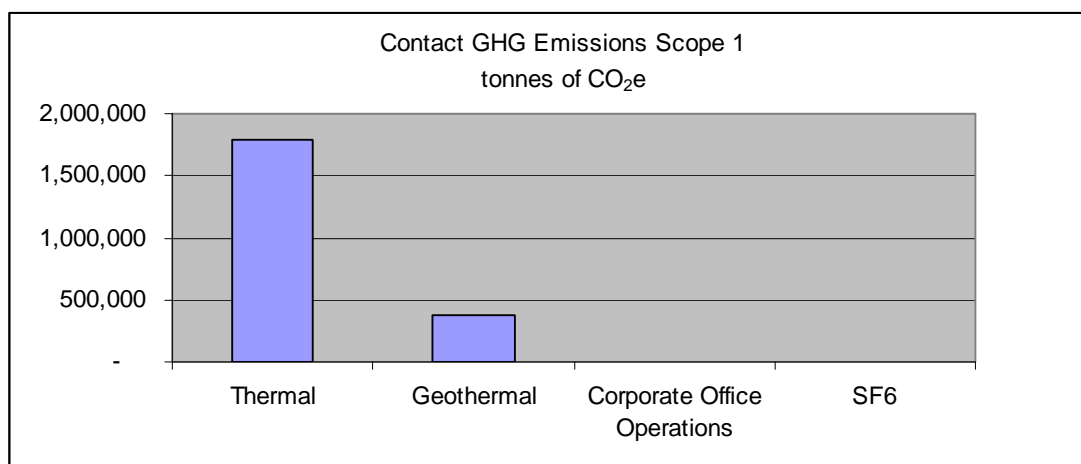
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Base year – 01/07/2008 to 30/06/2009

Measurement period – 01/07/2008 to 30/06/2009

GHG emissions source inclusions – The diagram below shows the operational GHG emissions for Contact's operations by emissions source. Emissions from activities associated with the generation of electricity are included in the inventory for CEMARS certification.

Contact's total emissions for this period were 2,159,654.51 tonnes carbon dioxide equivalents (CO₂e) comprising 2,156,625.13 tonnes CO₂e Scope 1, 737.61 tonnes CO₂e Scope 2 and 2291.77 tonnes CO₂e Scope 3 emissions.



GHG emissions source exclusions – Refrigerants are not included in the CEMARS certification boundary as these are only used in staff fridges and therefore do not reach the reporting threshold under the programme rules.

Emissions created by use of couriers has also be 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.

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

No emissions associated with the Ahuroa reservoir have been included. This underground depleted gas field near Stratford is being refilled with natural gas to act as a storage facility for the gas so it is available in times of high demand. Once gas is extracted from the field it will then be counted as part of the emissions for Contact.

Emissions from diesel used in the Whirinaki thermal plant and the Tenon Tauhara geothermal plant have not been included as in both cases these emissions are *de minimis* in terms of the organisational emissions.

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

- Reduce electricity consumption by 1% per FTE, i.e. by 30.27 kWh/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

Contact is committed to investigating possible targets for the reduction of GHGs emitted through generation of electricity by 31 December 2010, and as part of that, to assessing the impact on the business of any such targets, and conversely the impact on the targets of various business decisions and market forces.

Verified by – Deloitte

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

Level of assurance – Reasonable assurance

Certification status – CEMARS certified “organisation” covering Contact's New Zealand operations.

Certificate number – 2010004J

Valid until – 30 September 2010

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Note: Contact Energy Limited has been certified under the carboNZero programme for its Corporate Office operations for the same inventory period and a separate disclosure statement is available for this.