

Summary of carboNZero certification:

TrustPower Limited



TrustPower Limited meets the requirements of carboNZero^{Cert}™ certification having measured and committed to reducing its greenhouse gas emissions and neutralised the remaining unavoidable emissions in respect of its organisation in new Zealand that comprises generation and retailing of TrustPower-generated electricity.



Introduction¹ – TrustPower produces energy exclusively from renewable resources. With 36 generation stations throughout New Zealand. TrustPower is one of New Zealand's leading entirely renewable energy producers. All TrustPower's generation stations are strategically located around New Zealand which ensures that power is generated close to where it is consumed. This supports energy efficiency as it minimises transmission costs and losses. TrustPower is committed to taking action on climate change via the on-going development of renewable energy generation. TrustPower has recently completed an expansion of the Tararua Windfarm that now supplies energy to around 75,000 homes. TrustPower also has other projects in the pipeline. TrustPower elected to seek carboNZero certification because it provided the methodology and framework they felt was required to measure, understand and mitigate their emissions.

From small beginnings to one of New Zealand's largest electricity retailers

From its home base in Tauranga, TrustPower supplies power to almost quarter of a million homes and businesses throughout the North and South Islands of New Zealand. TrustPower traces its beginnings back to the Tauranga Electric Power Board which opened for business in 1925. Today, with 455 staff across New Zealand, TrustPower has grown to be one of New Zealand's largest and most customer focused power companies.

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

Consolidation approach – operational control

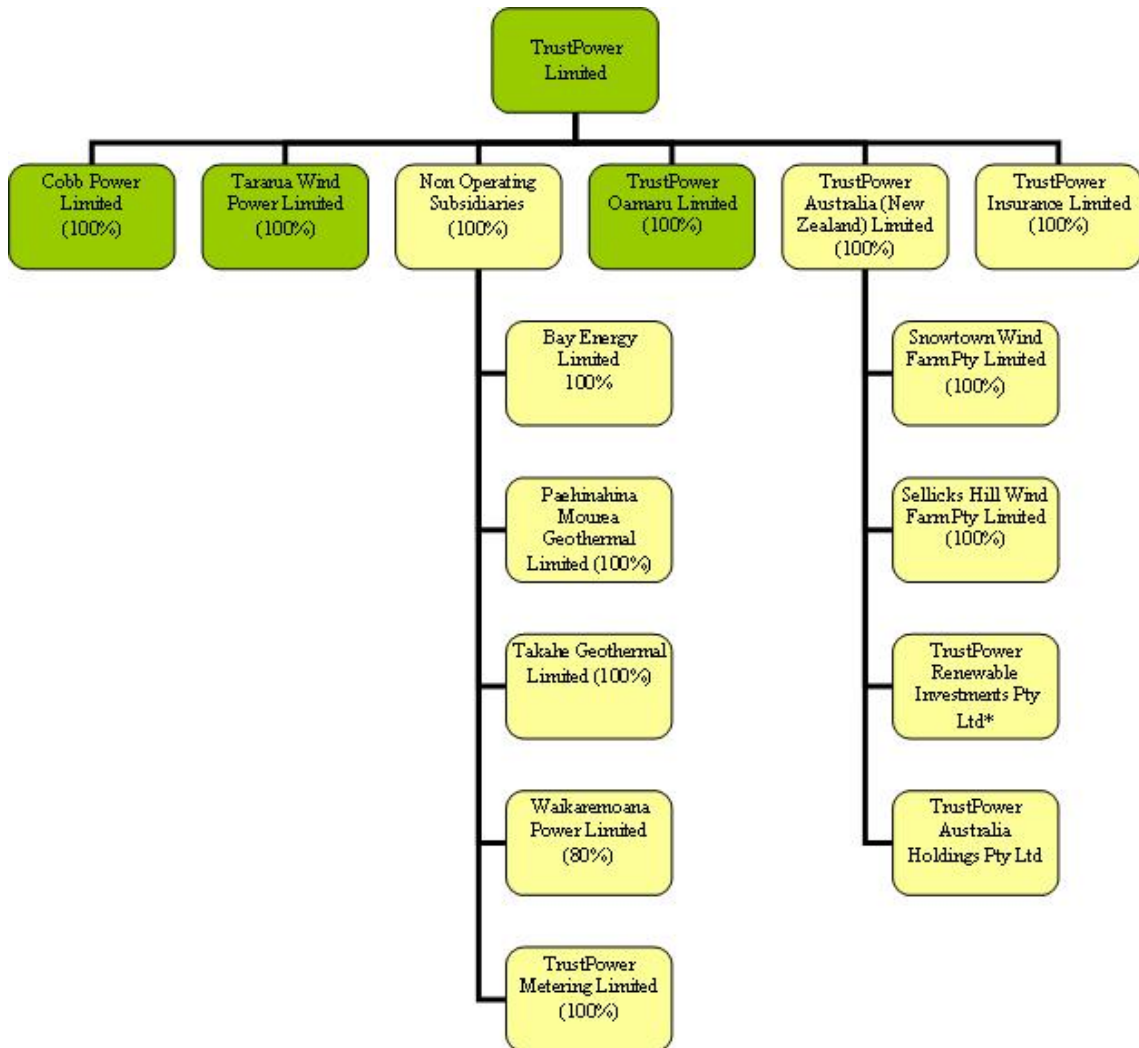
Base year – 01/04/2006 to 31/03/2007

Measurement period – 01/04/2007 to 31/03/2008 measurement period for recertification.

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.

Summary of carboNZero certification:

TrustPower Limited



GHG emissions source inclusions – The TrustPower inventory reports use of diesel, petrol, LPG, rental vehicles, and fugitive HFC emissions from air conditioning and refrigeration equipment as Scope 1 emissions, electricity as Scope 2 emissions, and air travel, contractor vehicle and air travel, reimbursed vehicle travel, and waste to landfill as Scope 3 operational emissions. The inventory also reports emissions associated with the construction of the Deep Stream Hydro development at Waipori, which includes contractor activity and life-cycle emissions associated with construction materials and use of the hydro facility.

GHG emissions source exclusions – The following emissions sources were excluded from the inventory:

- Freight (couriers, air, rail), accommodation and taxi use, and electricity use by offices at hydro generation plants, due to insufficient activity data to accurately quantify these emissions.
- Staff commuting – this is outside TrustPower’s control and influence
- Leased office space in Auckland, Christchurch and Wellington mainly used by contracted metering staff

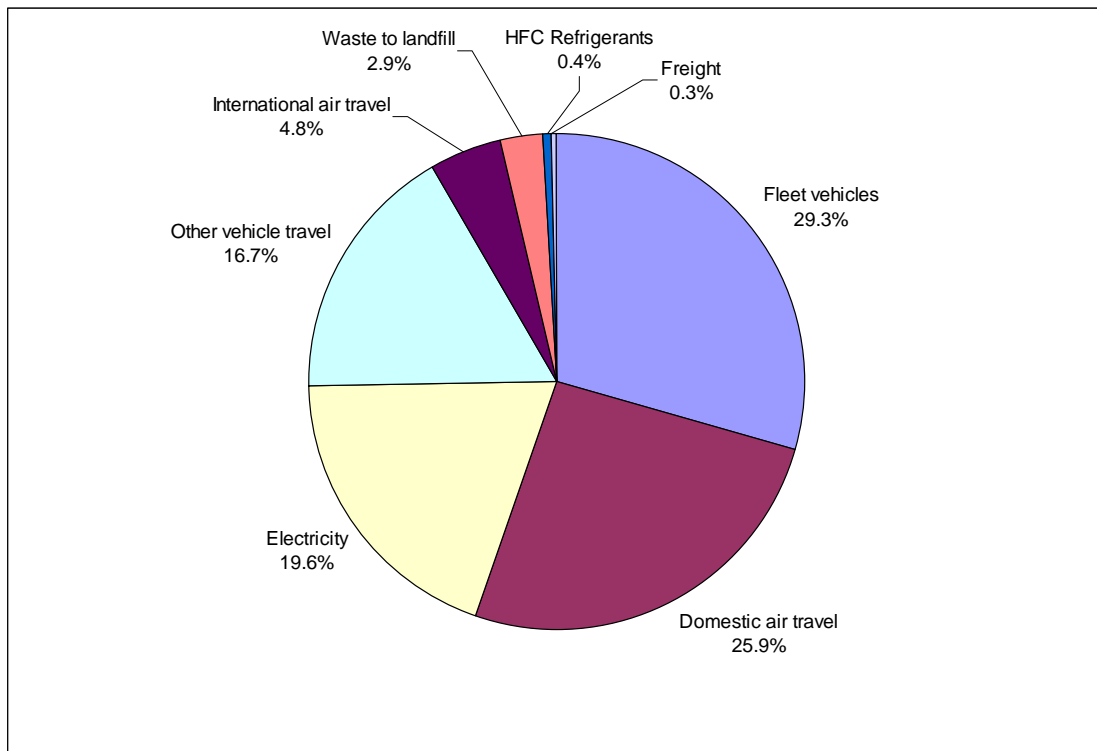
Summary of carboNZero certification:

TrustPower Limited



- Approximately 4,500 ha land associated with TrustPower's current and planned electricity generation interests
- Purchased electricity for re-sale to end users
- Methane emissions from reservoirs constructed within the last 10 years – the method of measurement is under scientific debate
- Dismantling and disposal of materials during enhancement of Waipori hydro power scheme

GHG emissions profile – The diagram below shows the operational GHG emissions by emissions source for TrustPower during the reporting period. TrustPower's total emissions for this period were 9873.44 tonnes of carbon dioxide equivalents (CO₂e), comprising 2762.54 tonnes of CO₂e operational emissions, and 7110.90 tonnes of CO₂e Scope 3 one-time emissions associated with the construction of the Deep Stream Hydro development at Waipori. The operational emissions of TrustPower comprised 851.46 tonnes CO₂e Scope 1, 541.11 tonnes CO₂e Scope 2 and 1369.98 tonnes CO₂e Scope 3 emissions.



GHG emissions reduction commitments – TrustPower has developed a GHG emissions reduction plan. Some projects in this plan include:

- Review procurement procedures to ensure appropriate consideration is given to fuel efficiency in vehicle selection to achieve reductions in fuel use by the vehicle fleet. Options to influence driver behaviour will also be investigated.
- Complete a review of domestic air travel and seek to develop a culture where only essential air travel is undertaken.
- Undertake an energy audit on the TrustPower Te Maunga (Head Office) site and implement low cost savings identified.

Summary of carboNZero certification:

TrustPower Limited



- Extend recycling program across the company ensuring all areas have paper recycling bins, in order to achieve reductions in solid waste to landfill. Options to influence employee behaviour will also be investigated.

GHG emissions reduction report against last year's plan – TrustPower has specific reductions targets to address five of their highest sources of emissions, namely fleet vehicle petrol and diesel, domestic air travel, electricity, and waste to landfill. The implementation of specific reduction measures in this plan have yet to take full effect due to timing of the previous certification.

In this 2007/08 reporting period, operational emissions increased by 749 tonnes (37%). Significant increases occurred in emissions from domestic air travel, electricity, and international air travel, although a significant proportion of the increase in each case was due to increases in the respective emissions factors. Reductions have occurred in other emissions sources, the most significant of which is those from rental cars, due to a decrease in activity data.

Offset – 9873 tonnes CO₂e VERs² from TrustPower's Tararua Wind Farm created by the PRE³ scheme. Serial numbers PREVER-TRUSTPOWER-TARARUA-04-000002016 to PREVER-TRUSTPOWER-TARARUA-04-0000011888 have been cancelled (or equivalent) on Regi. One-time emissions from the construction of the Deep Stream (Waipori) Hydro Generation project were excluded from the offset required for certification.

Verified by – PriceWaterhouseCoopers.

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

Level of assurance – reasonable assurance for operational emissions; limited assurance for one-time Scope 3 emissions from construction of hydro generation assets.

Certification status – carboNZero certified "organisation" covering the generation and retailing of TrustPower-generated electricity.

Certificate number – 2009011

Valid until – 30 June 2009.

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

³ PRE - Projects to Reduce Emissions is a New Zealand government scheme for projects that are eligible under the Joint Implementation initiative of the Kyoto Protocol – see www.mfe.govt.nz