

## ASX & Media Release

### **AGL policy to provide pathway to decarbonisation of electricity generation**

**17 April 2015**

AGL Energy Limited (AGL) today released a new Greenhouse Gas Policy, providing a pathway to decarbonisation of its electricity generation by 2050.

Managing Director and CEO, Andy Vesey, said the company recognised that it has a key role to play in gradually reducing greenhouse gas (GHG) emissions while providing secure and affordable electricity for over 3.8 million Australian households and businesses.

"Australia currently relies significantly on coal and gas to power its homes and industries with 88 percent of electricity produced from fossil fuels.

"To support the Commonwealth Government's commitment to work towards the two degree goal<sup>1</sup>, companies such as AGL need to take the lead," said Mr Vesey.

"This will be a measured process of decarbonisation, but one which I am proud to spearhead on behalf of AGL. AGL is the nation's largest privately owned renewable energy investor and we will continue to invest in low-emissions technologies to reduce the emissions intensity of Australia's electricity supply. It is important that government policy incentivise investment in lower-emitting technology while at the same time ensuring that older, less efficient and reliable power stations are removed from Australia's energy mix. Decarbonisation and modernisation of Australia's electricity system are important goals requiring effective policy.

"It will be an ongoing, progressive process, managing the efficient operations of our assets, and the transition of our people into new generation technologies and careers," he said.

Specifically, the revised GHG Policy states that AGL will:

- › Continue to provide the market with safe, reliable, affordable and sustainable energy options
- › Not build, finance or acquire new conventional coal-fired power stations in Australia (i.e. without carbon capture and storage)<sup>2</sup>.
- › Not extend the operating life of any of its existing coal-fired power stations
- › Close, by 2050, all existing coal-fired power stations in its portfolio
- › Improve the GHG efficiency of its operations, and those over which it has influence
- › Continue to invest in new renewable and near-zero emission technologies

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<sup>1</sup> The Commonwealth Government has committed to work towards a global agreement that limits global warming to less than 2°C above pre-industrial levels.

<sup>2</sup> The term conventional is used to refer to coal-fired power plants that have a higher lifecycle emissions intensity than a combined cycle gas turbine (CCGT).

- › Make available innovative and cost-effective solutions for its customers, such as distributed renewable generation, battery storage, and demand management solutions
- › Incorporate a forecast of future carbon pricing in to all generation capital expenditure decisions
- › Continue to be an advocate for effective long-term government policy to reduce Australia's emissions in a manner that is consistent with the long term interests of consumers and investors.

#### **Background information:**

- › AGL's full 2015 Greenhouse Gas Policy can be found on [agl.com.au](http://agl.com.au).
- › AGL has 1,766 MW of renewable generation capacity, 17 percent of the total generation portfolio, making AGL the largest ASX listed owner, operator and developer of renewable energy generation in the country.
- › Today, AGL completed installation of the last solar PV panel at the 102 MW Nyngan Solar Plant, the largest utility-scale solar plant in Australia.
- › Last year alone AGL's renewable portfolio was responsible for the abatement of 3.4 million tonnes of greenhouse gas emissions.
- › An AGL Applied Economic Policy and Research Working Paper with further information on climate change policy can be found on [aglblog.com.au](http://aglblog.com.au).
- › AGL uses three approaches to measure and communicate the greenhouse gas impact of its business, and reports emissions annually through the [AGL Sustainability Report](#).

#### **Further inquiries:**

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#### **About AGL**

AGL is one of Australia's leading integrated energy companies and is the largest ASX listed owner, operator and developer of renewable energy generation in the country. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is taking action toward creating a sustainable energy future for investors, communities and customers.