



# **Snowy Water Licence**

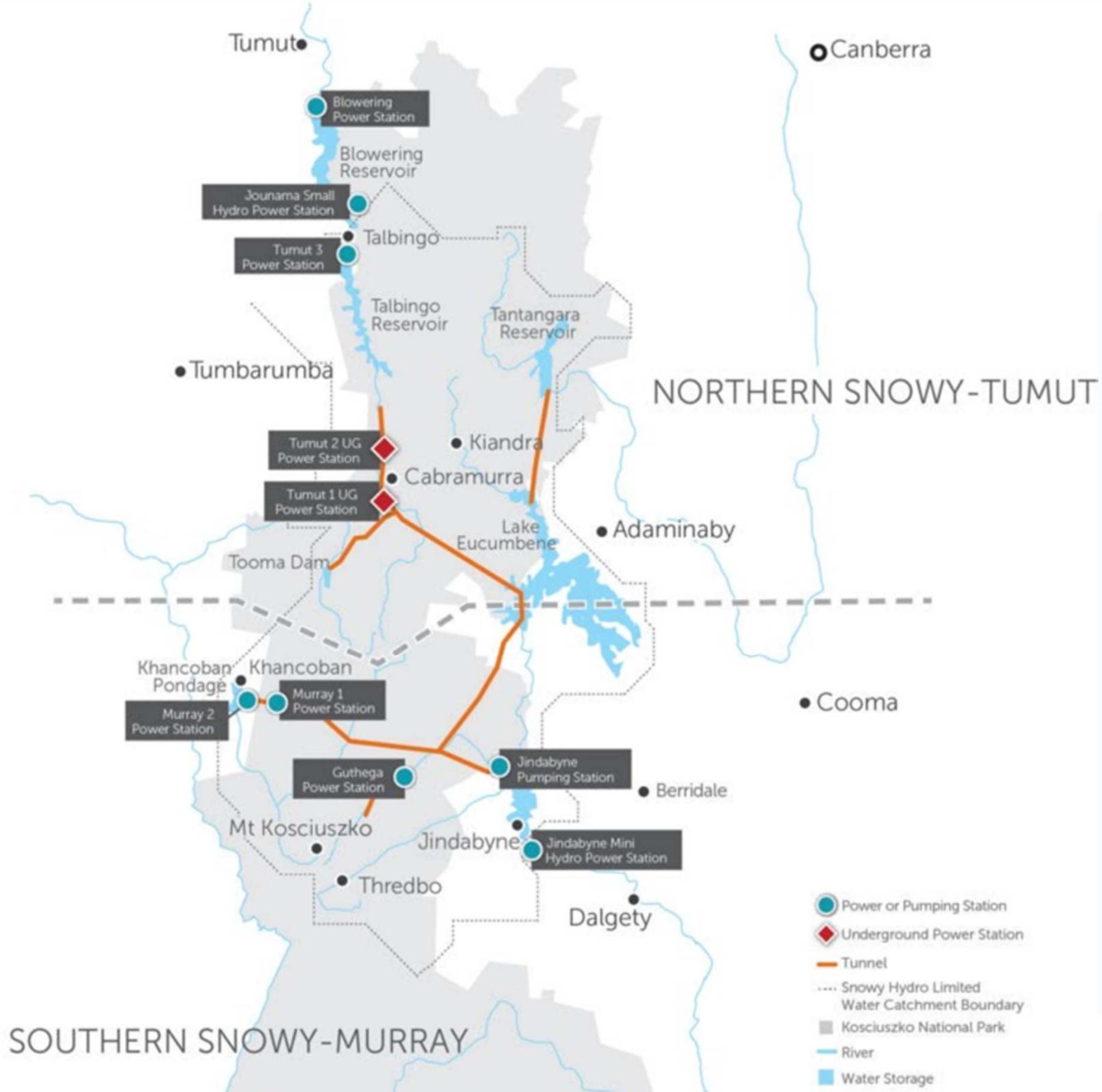
Presentation to key stakeholders

Michael Wrathall

September 2017

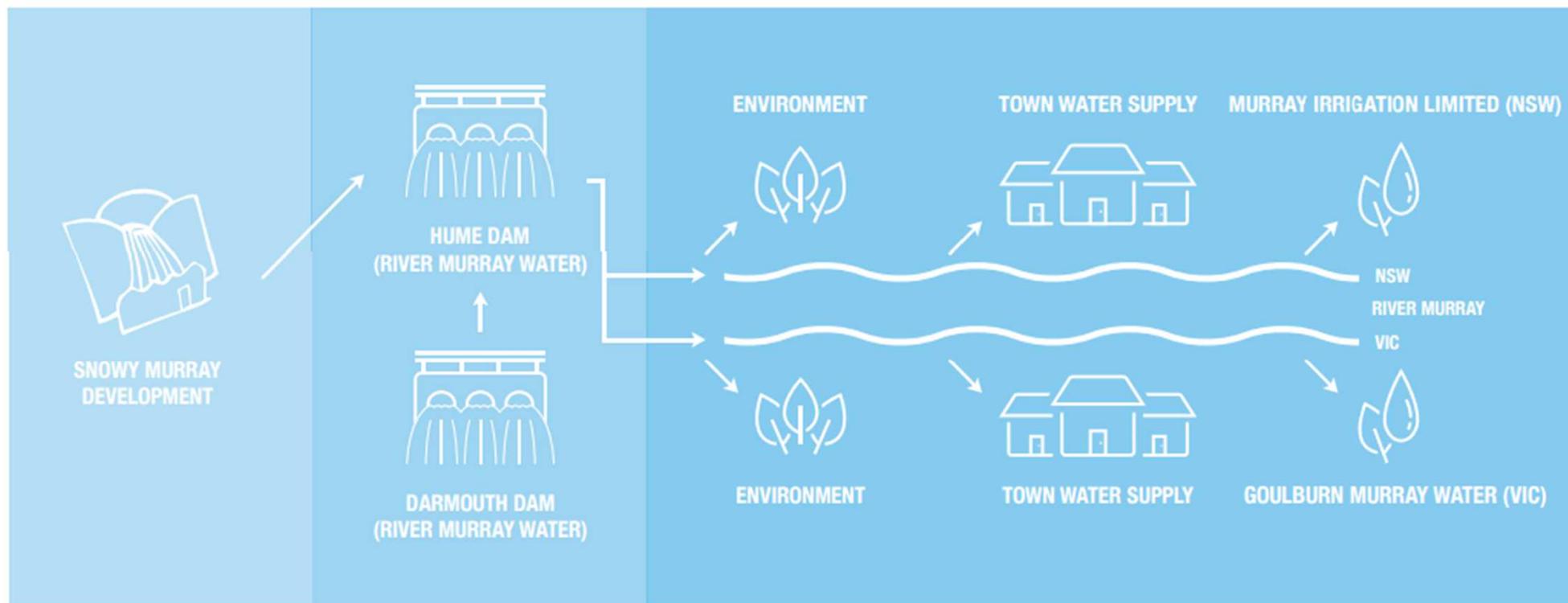
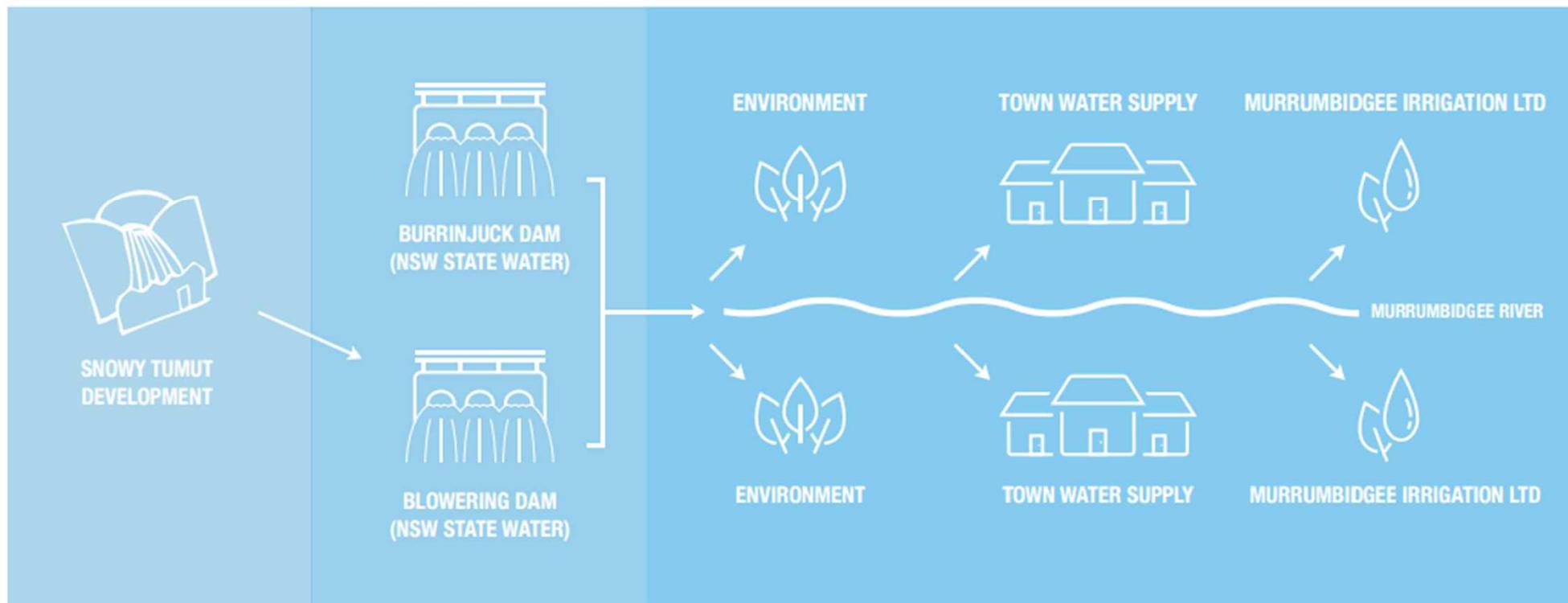
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# SNOWY SCHEME

# GOVT OWNED & OPERATED



# Snowy Hydro Corporatisation Act 1997

- Equivalent legislation in Victoria and Commonwealth
- Creation of Snowy Hydro Company
- Snowy Water Inquiry
- Water Licence

# Corporatisation

- Corporatisation at 28 June 2002
- Legal Deeds:
  - Snowy Water Inquiry Outcomes Implementation Deed (SWIOID)
  - Snowy Water Licence
  - Compensation Deed
  - Blowering Airspace Deed
  - Bilateral Deed

# Corporatisation - Features

- SHL revenue
- Western river releases
- Environmental Releases
- Above Target Water
- Annual Water Operating Plan
- New construction works

# Water Savings

- Water for Rivers to pursue savings target of 282 GL/yr in Victoria and NSW
- \$300m from partner Governments + \$125m from Commonwealth
- Savings to be verified & held as licences by NSW/Vic Governments
- At February 2017:
  - 308 GL of “entitlement”,
  - Maximum allocations of 284 GL in 17/18

# Environmental Releases

- 21% MAF (212 GL) for Snowy River by 2012
- 150 GWh foregone for Montane releases
- Savings to be licences or allocations to accrue to Snowy Scheme for release
- Mowamba Aqueduct
  - Supplied releases for first three years, to be repaid from subsequent savings

# Outcomes of the Snowy Water Inquiry

- Three main areas of interest for environmental releases:
  - Snowy River downstream of Jindabyne
  - Murray River
  - Montane Rivers
- Water savings in western rivers
- Options for volume of water to be returned to the environment

# Snowy Water Licence

- Issued in 2002 for 75 years
- Defines how to account for and release water
- Aims to maximise benefits for electricity generation and downstream water interests, while protecting stored water

# Annual Water Operating Plan (AWOP)

The Licence requires SHL to:

- Prepare an AWOP for each water year
- Do all things reasonably necessary to operate the Snowy Scheme in accordance with each AWOP as amended from time to time



**ANNUAL WATER OPERATING PLAN FOR THE  
2017-2018 WATER YEAR**

**SECOND DRAFT**

**4 April 2017**

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Monaro Highway, Cooma NSW 2630  
PO Box 332 Cooma NSW 2630  
Telephone: 02 6453 2888 Facsimile: 02 6452 3794  
[www.snowyhydro.com.au](http://www.snowyhydro.com.au)

# Water Consultation Liaison Committee (WCLC)

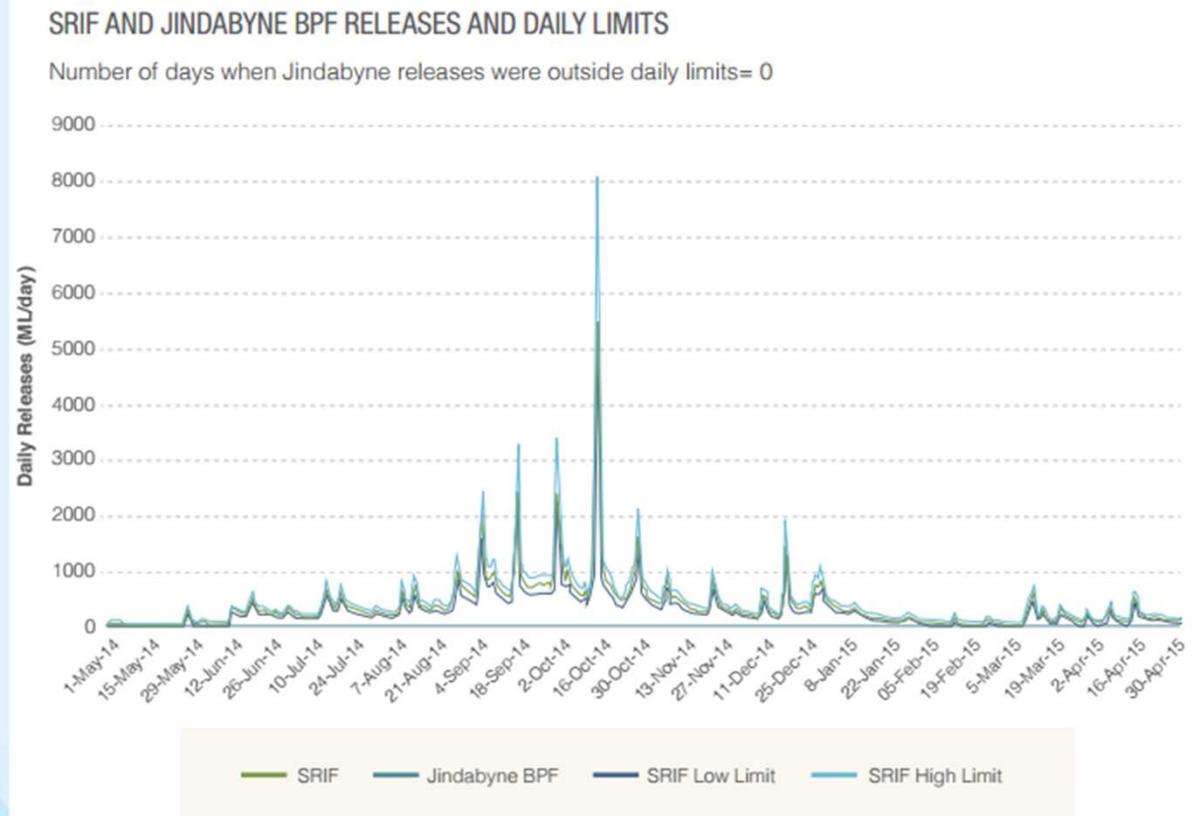
- Established under the SWIOID
- Representatives from SHL, the partner governments, the MDBA & others as agreed
- Function is to review each draft AWOP prepared by SHL and provide comments
- SHL is required to consider these in good faith before submitting its revised AWOP for approval

# Snowy Water Licence: Reviews

- Section 25 of the Act provides for regular, mandatory reviews of the Licence
- First review in 2007 → 2010-11 amendments
- Next review due 28 June 2017. Addresses:
  - Environmental water releases;
  - Western river releases; and
  - Administrative obligations.

# Snowy Water Licence: Environment

- Schedule 3 focuses on environmental flows:
- Snowy River Increased Flows
- Mowamba Borrowings Account
- Snowy Montane Rivers Increased Flows



# Snowy Water Licence: Administration

- The NSW Government is reviewing the arrangements for environmental water management, to ensure they are the most streamlined and appropriate, this includes working more closely with the Office of Environment and Heritage
- 2017/18 environmental releases were planned by DPI Water as per the current arrangements



# Snowy Water Licence: Western releases

Schedule 4 focuses on releases to the Western Rivers:

- Snowy-Tumut Development: to Blowering Dam
- Snowy-Murray Development: to Hume Dam
- Defines how releases are to be accounted for under varying circumstances

# Western Releases: key terms (1)

- **Required Annual Release (RAR):** The minimum volume SHL is required to release in one year (May to April) to either Blowering Dam (Snowy-Tumut Development) or Hume Dam (Snowy-Murray Development)
- **Below Target Water (BTW):** Water in each Development of the Snowy Scheme which is intended specifically to meet RAR. Inflows received when the storage is below the monthly target storage are accounted as BTW.

## Western Releases: key terms (2)

- **Above Target Water (ATW):** Water in each Development that can be released at SHL's discretion or is available to be called by the Ministerial Corporation for a particular purpose (e.g. RMIF). Accounted when inflows received above the monthly target storage. ATW can also accumulate through other means, incl. Relaxation
- **Relaxation:** Intended to allow RAR to be reduced if conditions are wet and all downstream water needs are met for that year. Unreleased water in the Snowy Scheme, up to the calculated Relaxation volume, is rebadged as ATW.

## Western Releases: key terms (3)

- **Dry Inflow Sequence Volume (DISV):** A measure of the shortfall in inflows against the ‘design drought’ of 1936 to 1946. An increase in DISV reduces the RAR and protects the remaining water in Snowy storages against failure during even more severe droughts
- **Call out releases:** Under certain conditions, additional volumes of ATW above the RAR can be “called” upon by Ministerial Corporation by a certain date each year. SHL is obliged to release before the completion of that water year. E.g. Relaxation in the previous year, drought accounts, RMIF

## Western Releases: key terms (4)

- **River Murray Increased Flows (RMIF):** Environmental water allowance established under the Snowy Water Initiative to improve river health in the upper Murray system. Credited each year, along with Snowy River water savings, in proportion to allocations of recovered or purchased water entitlements in the western rivers (max 70 GL/yr).
- **Within Year Release Requirements (WYRR):** Additional release of ATW to compensate for unusable water that spilled from Hume or Blowering dams when RAR was released early in that water year (prior to 30 November).

## Western Releases: key terms (5)

- **RAR Pre-Release / Flex:** Introduced in 2011, this allows SHL to release additional BTW above RAR, without having to release ATW – like an early release of the next year's RAR.
- **Wet Sequence Protection:** Introduced in 2011, additional release of ATW to compensate for unusable water that spilled from Hume or Blowering dams, up to the volume of the RAR Pre-Release.
- **Drought Accounts:** Introduced in 2011, reserves of ATW can be called out if inflows reach critically low levels. Accounts are credited when a recovery occurs following a period when a DISV is triggered.

# Licence Review: Core principles

- Comply with legislative requirements
- Legislate the agreed administrative changes currently within the AWOP
- Identify opportunities for simplification
- Finalise within twelve months
- Process to resolve several issues and their complex interactions with SHL and jurisdictions

# Licence Review: Next steps

- Written submissions are invited to the review
- All forms of information – scientific, technical, historical, anecdotal – will be accepted if they address the terms of the review
- Submissions must be received by 28 August 2017
- A summary of submissions and review report will be made available to the public on completion

# Snowy 2.0

- Snowy 2.0 proposal addresses the internal operations of the Snowy Scheme, increasing SHL's electricity generating flexibility
- Unlikely to impact the Licence arrangements or downstream water users
- Not relevant to the Snowy Water Licence Review

Questions/comments?



# Further information

Contact:

[snowylicencereview@dpi.nsw.gov.au](mailto:snowylicencereview@dpi.nsw.gov.au)

Factsheets on <http://www.water.nsw.gov.au/>:

- *Review of Snowy Water Licence: Invitation to inform the ten year review*
- *Supporting information – Snowy Water Licence Review 2017*