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10-YEAR REVIEW OF THE SNOWY WATER LICENCE

Consultation on draft report

Public information session

Welcome

We're seeking your feedback

Consultation period ends 6 July 2018

Information sessions to help stakeholders prepare submissions

This session provides you a chance to:

1. hear what issues were raised in the submissions
2. better understand our proposals
3. ask questions
4. provide direct feedback

Agenda

Guided by the review's terms of reference and draft report

1. About the review
2. Administrative obligations
3. Increased flows (environmental releases)
4. Water release requirements (releases to western rivers)
5. Snowy Hydro performance
6. Snowy water management
7. Implementation

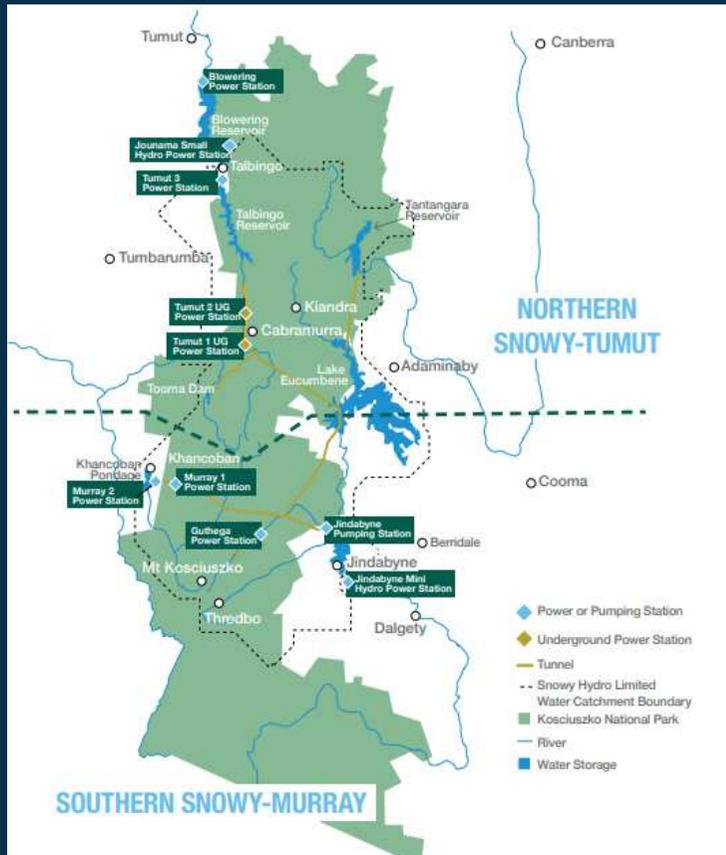
About the review

Key principles

- Comply with legislation
- Codify existing administrative agreements
- Seek to simplify licence provisions
- Ensure timely completion
- Incorporate stakeholder and expert knowledge

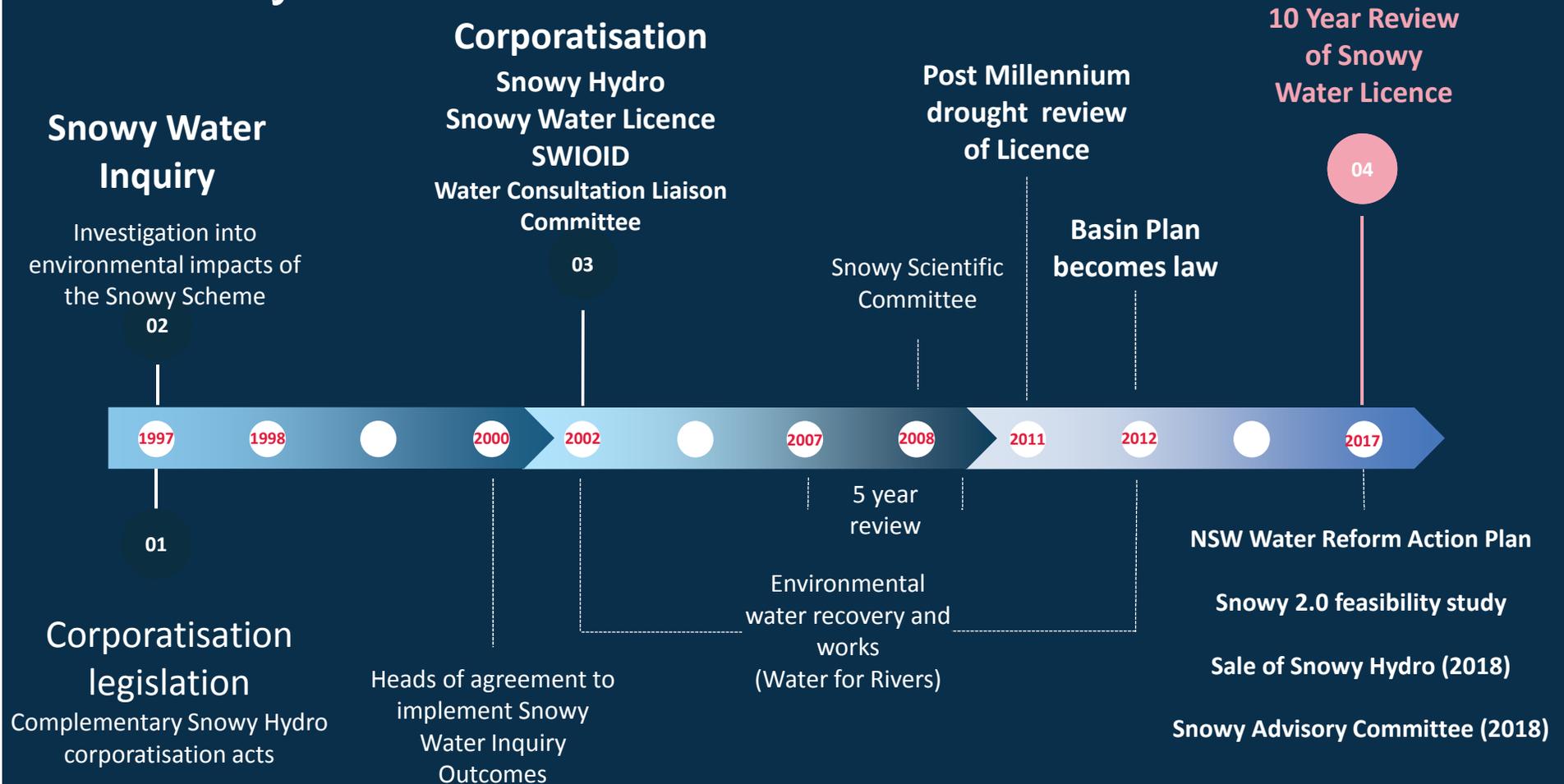
The Snowy Scheme

An integrated water and hydro-electric power utility



- Produces electricity and provides reliable water source
- ~ 99% of all flows regulated and released downstream
- Electricity generation reliant on water releases
- Scheme costs recovered through electricity revenues

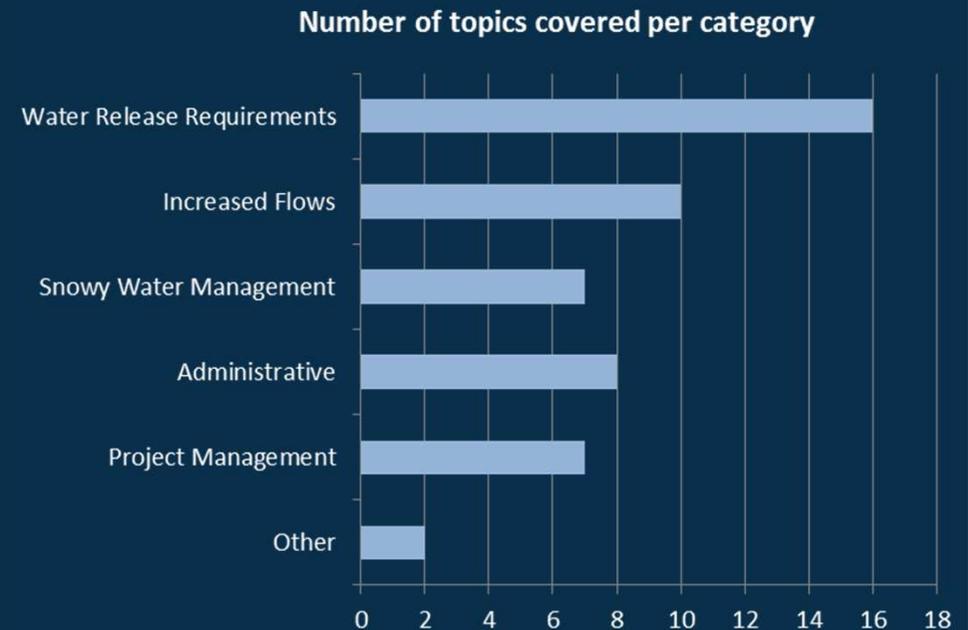
Policy context



Round 1 submissions

DoI Water received 24 submissions to the review

- Snowy Hydro, environmental, agricultural, community, governments interests
- Issues/statements covered more than 50 topics
- ~ 80 per cent within terms of reference



Summary of key stakeholder issues

Stakeholders raised some key themes

- Opaque nature of water operations
- Licence complexity
- Effectiveness of 2011 Licence amendments
- Concerns the Licence favours electricity generation
- Concerns about implementation of Snowy Water Inquiry outcomes
- Need opportunities for community and scientific input to decisions

Administrative obligations

Snowy Hydro's rights and regulatory requirements are up front

Obligations cover:

- Purpose/objectives
- Compliance reporting requirements
- Snowy Hydro's water rights
- Annual Water Operating Plan (AWOP) requirements
- Fees and charges
- Requirements to construct works
- Arrangements for reviewing the Licence

Key issues around transparency, information sharing, consultation and redundant provisions

Administrative obligations

Two proposals to increase transparency and collaboration

Increased public reporting of annual water operations

- responds to lack of public access to forward looking information
- need to balance public interest and commercial requirements

Improved water authority collaboration on annual water operations

- opportunity to lock in recent improvements
- advanced notice provides significant benefits for river operations

Administrative obligations

Two proposals to provide certainty and simplify the Licence

Proposals to capture existing practice and reference current water licences

- Water Consultation Liaison Committee agreement on what should be in an AWOP
- up to date licensing information can now be sourced online

Increased flows obligations

Schedule 3 codifies Snowy Water Inquiry obligations

Obligations cover:

- Allocations and accounting of increased flows
- Environmental objectives
- Construction of works
- Delivery of increased flows
- Call out of River Murray Increased Flows

Key issues around redundant provisions, the delivery of Snowy River Increased Flows and access to River Murray Increased Flows

Increased flows obligations

Investigating better ways to deliver environmental flows

Finalise the Mowamba River investigation

- interest in introducing natural variability below Jindabyne dam
- significant progress has been made to investigate pros and cons

Investigate long-term delivery of Snowy River flow targets

- 212 gigalitres per year delivery cap places long-term target at risk

Investigate River Murray Increased Flows call out trigger

- trigger volume too high for environmental interests and too low for Snowy Hydro

Increased flows obligations

Four administrative proposals

Remove redundant provisions

- Jindabyne and Tantangara dam outlet works constructed
- Mowamba Borrowings Account fully repaid in 2010

More administrative improvements to capture existing practice

- secure agreement on data for increased flows compliance reporting
- codify existing riparian releases

Water release requirements

Schedule 4 is key to Snowy Scheme operations

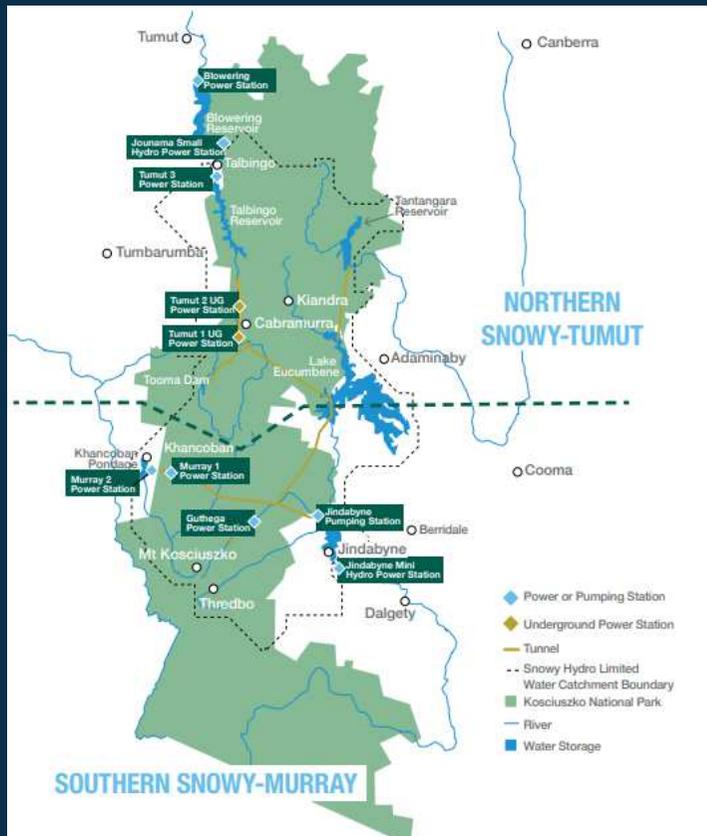
Obligations cover:

- bulk water sharing arrangements
- approaches to water accounting
- water release volume and timing requirements
- data sharing arrangements
- requirements for developing analytical models
- water accounts

Key issues around inefficient water use, requests to review 2011 amendments and errors

Water release requirements

We're not proposing to change the fundamentals



- Catchment based sharing of inflows
- Target storage principle
- Required annual releases
- Snowy Hydro use of above target water
- Dry inflow sequence volume

Water release requirements

A plan to investigate key water release provisions

- dry inflow sequence volume
- relaxation volume
- flexibility and pre-releases
- spill compensation mechanisms
- early season release commitment
- improved flood mitigation outcomes
- sharing of evaporation
- drought and DISV reserve accounts

Water release requirements

The plan will include detailed technical analyses

Modelling support

- Analytical tools will support decision-making
- Improvements to modelling capability required to support the investigations
- Assessment of options required to assess impacts to third parties

Water release requirements

Five proposals to simplify the Licence and fix errors

Secure Water Consultation Liaison Committee agreements

- simpler relaxation volume call out provision
- simpler calculation of pre-releases
- simpler way to account water availability

Correct drafting errors

- calculation of the Snowy-Tumut relaxation volume
- definition of 'agreed annual release'

Performance of Snowy Hydro

Performance is a key focus of the review's next phase

Snowy Hydro is confident it's complied

- evidence provided in its submission

Public submissions raised issues around:

- accounting of spills from Lake Jindabyne
- accounting of unregulated flows over Mowamba and Cobbon Creek weirs
- delivery of Snowy Montane Rivers Increased Flow targets

Performance of Snowy Hydro

An expert panel will independently carry out the review

Panel to comprise bulk water management and compliance experts

Scope of review to include:

1. Snowy Hydro's assessment of compliance
2. Increased flows implementation issues raised in submissions
3. Snowy Hydro's and DoI Water's systems, procedures and frameworks

Results will feed into final report

Snowy water management

Proposal to oversee and coordinate Snowy water management

A committee to consist of senior government decision-makers

Responsible for

- providing strategic advice and direction
- facilitating integration of management activities
- set work priorities

Summary of submissions report will include more details

Implementation

DoI Water will develop a detailed implementation plan

- Implementation will include three distinct phases
- Priorities influenced by public submissions and key stakeholders
- Project governance and consultation will feature
- DoI Water will deliver the plan with key agencies

Conclusion

The draft report presents our preliminary findings

First round of submissions raised many issues

In response, we're proposing:

- administrative amendments to the Licence to improve how it operates
- a plan to explore ways to improve environmental water delivery and optimise water use
- enhancements to Snowy water management

We're again seeking your feedback

Contact

For more information

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- Or head to: www.industry.nsw.gov.au/snowy-water-licence