



Photo Credit: NSW DPI

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

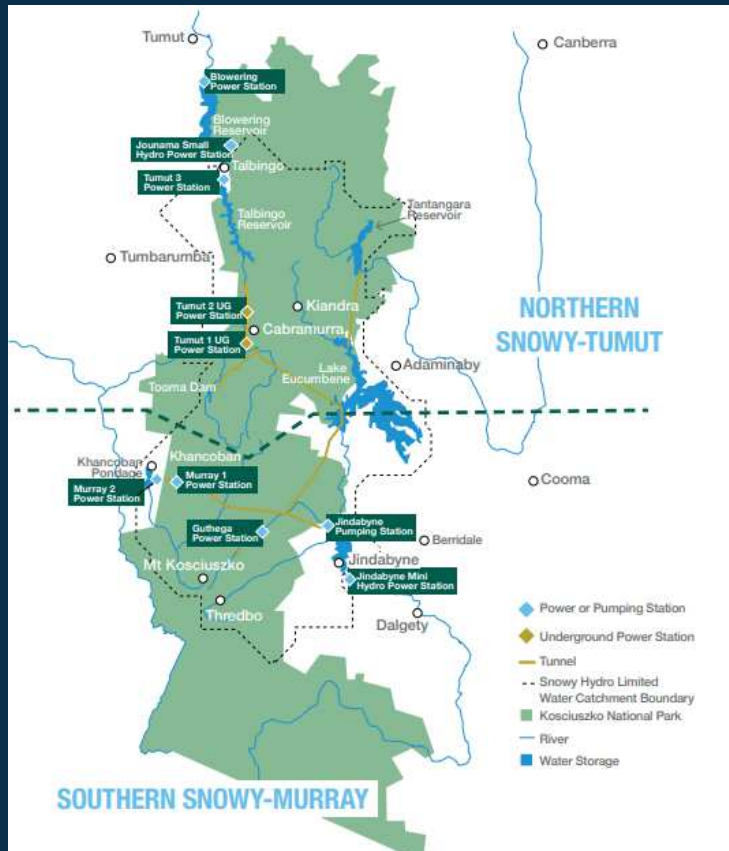
# About the review

## Key principles

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

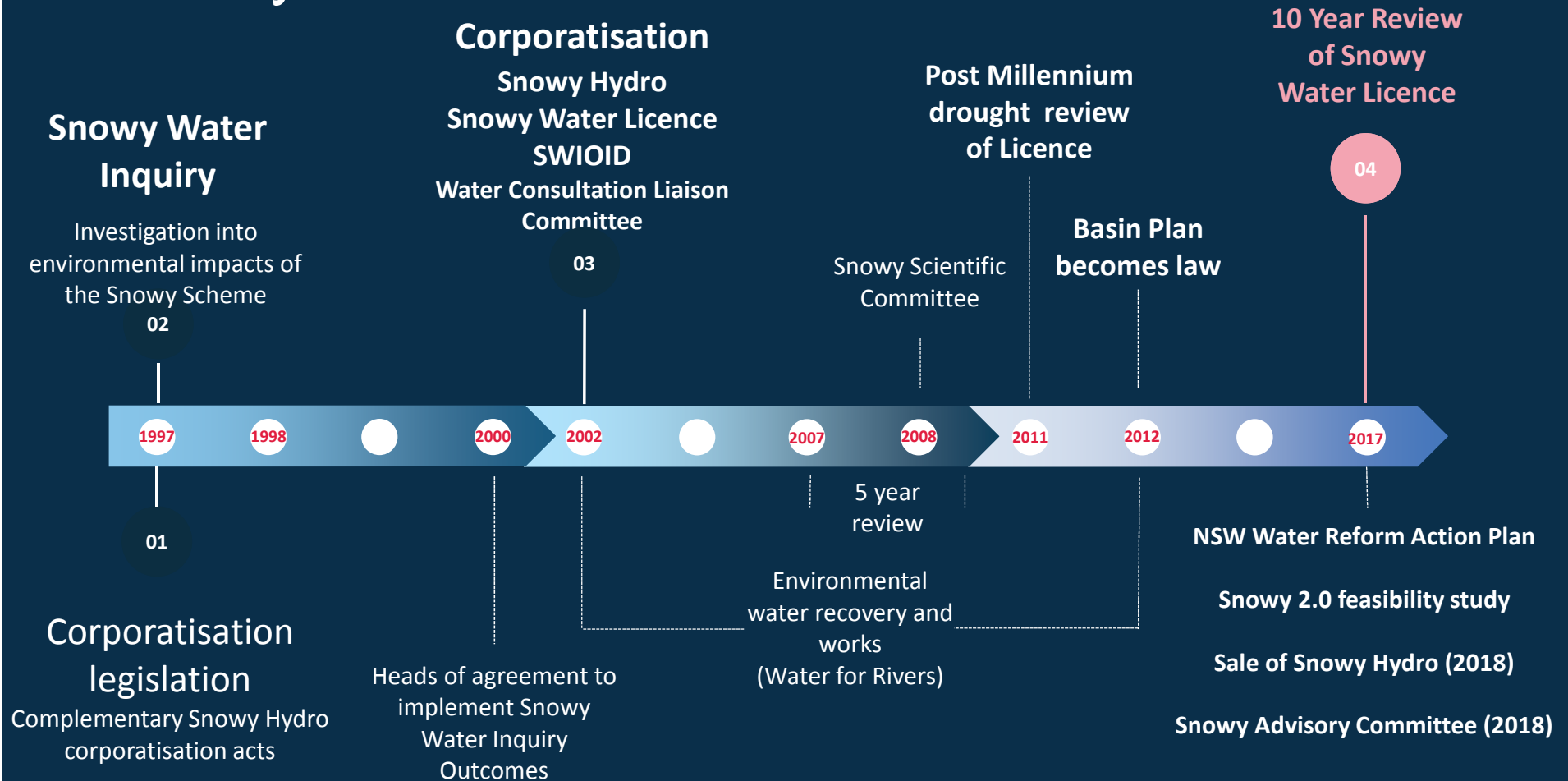
# The Snowy Scheme

## 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

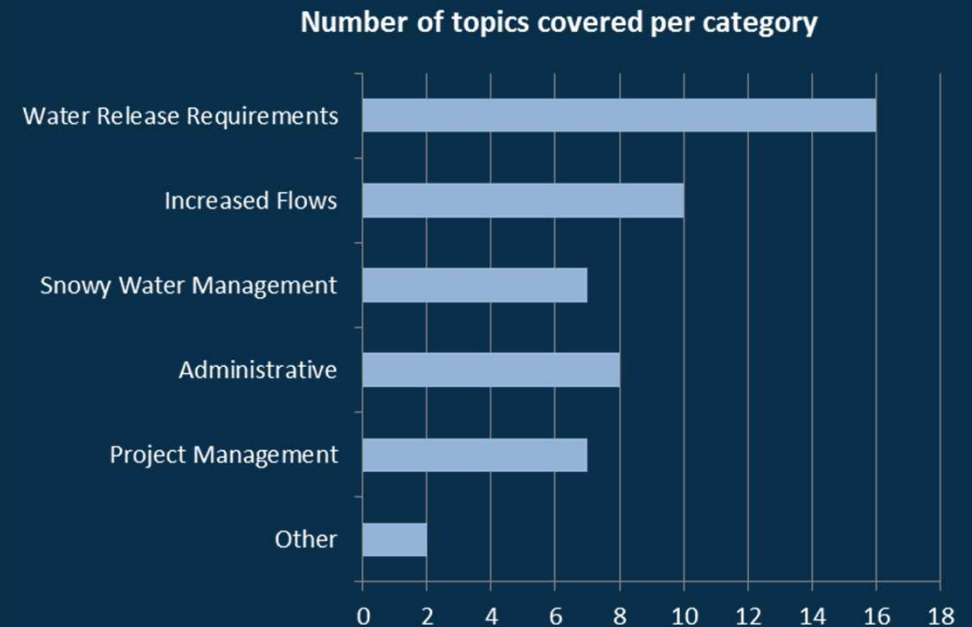
# Policy context



# 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

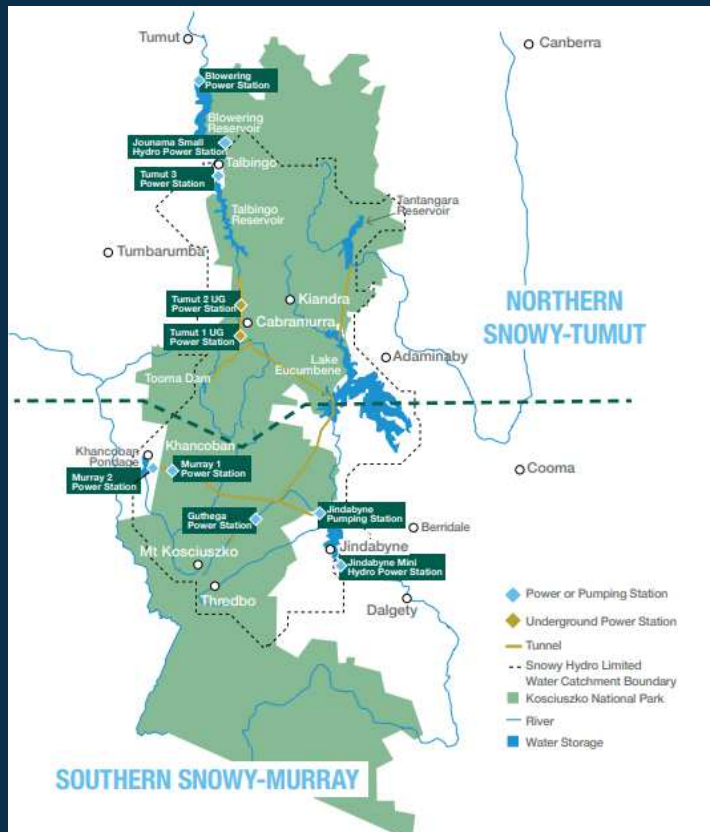
### Obligations cover:

- 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

- Contact me at: [jeremy.kinley@dpi.nsw.gov.au](mailto:jeremy.kinley@dpi.nsw.gov.au)
- Or head to: [www.industry.nsw.gov.au/snowy-water-licence](http://www.industry.nsw.gov.au/snowy-water-licence)