

# Camden Gas Project Community Consultative Committee

07 September 2022



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General business and next meeting date



Welcome,  
Introduction and  
Apologies



Confirmation of  
previous minutes



Business Arising





# Correspondence



# Reports & presentations



# Resilient FY22 Results against the backdrop of challenging energy industry and market conditions



Review of strategic direction underway, with initial outcomes expected to be presented in late September



## RESULTS SUMMARY

- **Underlying EBITDA down 27%** to \$1,218 million; **Underlying NPAT down 58%** to \$225 million
  - Despite lower financial result, core underlying business remained resilient amidst very challenging market conditions; underscored by strength of low cost baseload generation position, large customer base and robust risk management
  - Cash conversion remained strong at 108% (excluding margin calls)
- **Final dividend** of 10 cents per share (unfranked)
  - Total dividend for the 2022 year of 26 cents per share (unfranked)



## BUSINESS UPDATE

- **Strategic NPS** remains strong at **+6**; >1 million active mobile app and my account users; AGL well positioned in a volatile market, with prudent margin management in place
- **Torrens Island battery** anticipated operational in **2023**; **FID reached** on **Broken Hill battery**; Planning approval received for Liddell battery
- **\$150 million** of targeted **operating cost reductions achieved** in FY22; On track to achieve \$100 million sustaining capex reduction by end of FY23
- Sale of EIP, Activate Capital and Ecobee investments completed; Remaining non-core gas assets under review, with NGSF no longer held for sale



## REVIEW OF STRATEGIC DIRECTION

- Process for Board and CEO renewal well underway
- Demerger proposal withdrawn in late-May; **Review of strategic direction** underway, focusing on four key areas:
  - Review of existing strategies
  - Decarbonisation objectives
  - Optimal energy mix
  - Capital structure



## OUTLOOK

- **Stronger spot** and **forward wholesale electricity price** curves
  - AGL is largely hedged for FY23, and well positioned from FY24 to benefit from sustained higher wholesale electricity pricing as historical hedge positions progressively roll-off
- **Initial outcomes** of the review of strategic direction expected to be presented in **late September**, in conjunction with an expected update on **FY23 guidance**





# Operations & Environment

# Operations & Environment

## Decommissioning & Rehabilitation



Production Well Status	Total (as at 30 June 2022)	Total (as at 31 August 2022)
Drilled (total wells)	144	144
Production wells	44	41
Suspended or shut in wells	1	1
Wells in process of decommissioning	2 (GL02, MP22) 3 (EM39, MP11, SF05 wait on cut & cap)	1 (MP22) 3 (EM39, MP11, MP23 wait on cut & cap)
Wells subsurface decommissioning complete	94 (additional since March quarter EM06)	98 (additional since June quarter GL02, GL04, GL11, SF05)
Land in process of being rehabilitated	9 (EM06, EM08, EM10, EM13, EM15, MP15, RP07, RP08, RP09)	10 (EM06, EM08, EM10, EM13, EM15, GL02, GL04, MP15, RP07, RP08)
Land fully rehabilitated and returned to landowner	85 (additional since March quarter GL08, LB06, MP13, MP14, MP17, MT06, MT08, RP04, RP05, SL03, WG02)	88 (additional since June quarter GL11, RP09, SF05)

# Operations & Environment

## Decommissioning & Rehabilitation – Whole Project Timeline



### Camden Rehabilitation - Projected Timeline



\* After site works are complete, wait on regeneration of surface compatible with required land use, and regulatory sign-off - usually takes an additional 12-24 months

# Operations & Environment



## Camden Gas Project Cease of Production – Preliminary Plans

- In February 2016, AGL announced that it would progressively decommission gas wells enabling closure of the facility in 2023. After cease of production, remaining infrastructure will be decommissioned with surface rehabilitated compatible with required land use in consultation with the EPA and landholders.

Anticipated timeline:

January to June 2023	July to December 2023	January to June 2024
Plan towards cease production and decommissioning gas plant	Decommissioning and commence bulk earthworks and rehabilitation of site	Finalise rehabilitation of site, EPA inspection, handback to landholder



# Operations & Environment

## 6-month outlook



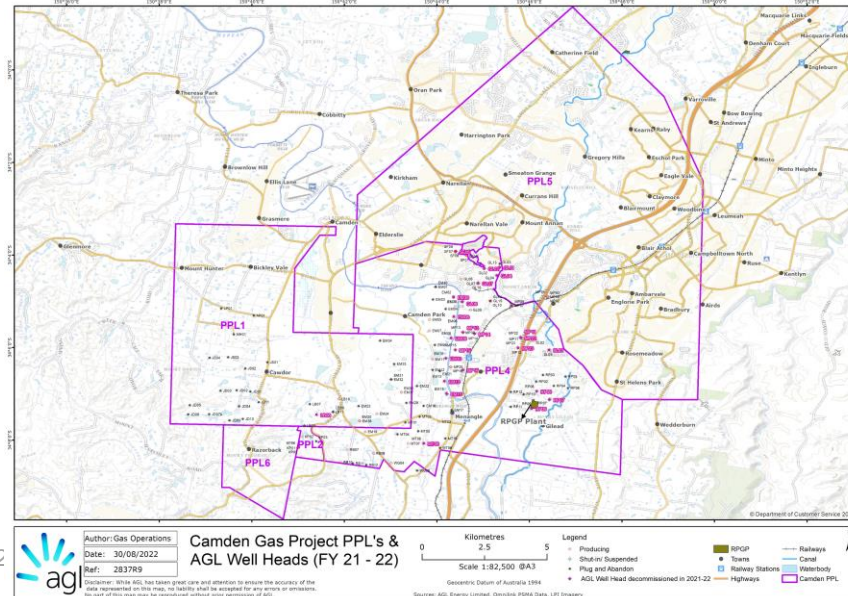
- AGL continues to regularly communicate with landowners regarding access to well sites for planned maintenance and decommissioning activities on the land. All landowners are consulted regarding surface rehabilitation of each site following decommissioning of the well.
- Gas wells & Field
  - During the next 6 months, we will rig work is anticipated to continue progressive decommissioning of lower producing wells, with surface rehabilitation of sites continuing.
  - Since June 2022, AGL completed decommissioning activities at Glenlee 02, Glenlee 11, Glenlee 04 and Menangle Park 23. Note that Menangle Park 11, Elizabeth Macarthur 39 and Menangle Park 23 are awaiting cut & cap.
  - Upcoming decommissioning activities include wells at Menangle Park, Elizabeth Macarthur, Mount Taurus & Glenlee.
  - Our work continues to be overseen by our government regulators – NSW EPA and Department of Regional NSW.
  - We will add more decommissioning wells to our schedule as our work programs are approved by these regulatory agencies.
- Rosalind Park Gas Plant
  - During the next 6 months, planning will progress towards cease of production, and decommissioning of the gas plant
  - Compressor 1 (one of 3 compressors at the gas plant) will be decommissioned.

# Operations & Environment

## Petroleum Titles Update



- As progressive decommissioning continues, AGL is reviewing its Petroleum Production Leases to enable only required areas to be retained – this involves partial relinquishment of areas that have been fully rehabilitated and applying for renewals on lease areas where decommissioning and rehabilitation works are yet to be completed.



# Operations & Environment

## Compliance monitoring and reporting

- Camden 2020-2021 Annual Environmental Performance Report was released in November 2021. The 2021-2022 AEPR is currently being prepared and due for release in October.
- RPGP **monthly air emissions and surface water monitoring** has been completed with all results compliant with EPL limits.
- RPGP **quarterly noise monitoring** was completed in September and December 2021 and April and June 2022. All results were compliant with noise limits. No noise complaints were received during the year.
- RPGP **quarterly air emissions monitoring** was completed in September and December 2021 and February/March, May and July 2022. All results and were compliant with EPL limits.
- RPGP **6-monthly groundwater monitoring** was conducted in September 2021 and March 2022. All results were compliant. The next round of monitoring was conducted in September 2022 and results are pending.
- Attended noise monitoring was completed during the decommissioning of GL11, GL02, EM39, SF02 and SF05. Some activities exceeded the construction noise criteria (background plus 10dB) at SF02, SF05, GL11 and GL02. AGL takes all reasonable steps to mitigate noise and keep residents informed of the decommissioning works. AGL did not receive any noise complaints.

# Operations & Environment



## Compliance monitoring and reporting

- Treo Environment has been approved to undertake the **2020 - 2022 Independent Environmental Audit**. This audit assesses compliance against all Project Approvals and Development Consents. The Audit is expected to be completed by December 2022.
- The NSW EPA conducted **LDAR** testing on all field wells throughout FY22. These site inspections returned no gas leaks.
- Camden's **EPL Annual Return** was submitted to the EPA in February 2022. Three non compliances were reported.
- **EPL 12003** was recently varied to remove groundwater monitoring locations that are no longer producing water. Further variations to EPL 12003 are expected as the Projects decommissioning continues.
- In February 2022, AGL received formal approval from the Office of Environment and Heritage to proceed with the relocation of Aboriginal artifacts located within the Glenlee Property. These relocation activities were undertaken in consultation with the local Traditional Owners in April 2022, although the artefacts were unable to be located for the purpose of relocation.



# Land & Approvals

## Environmental Audits

- Camden Gas Projects Independent Environmental Audit was conducted in FY21. This audit assesses compliance against all Project Approvals and Development Consents. This has been submitted to the Department for review/approval and AGL is awaiting a response.
- The Independent Landscape and Lighting Audit was conducted in May and submitted to the Department in April 2021. All lighting and landscaping requirements were satisfied. The audit report was approved by the Department in August 2021.
- The annual review and update of Camden's **Environmental Management Plan and Sub Plans** is progressively being completed and all the latest versions are in the process of being uploaded to the Camden Gas Project website.

## Aboriginal Cultural Heritage Assessments and Impact Permits

- In May 2020, AGL received formal approval from the Office of Environment and Heritage to proceed with the relocation of Aboriginal artifacts located within the Wandinong Property. These relocation activities were undertaken in June 2020 and AGL still maintains an AHIP over the property until all decommissioning works are completed within the Wandinong Property.
- In June 2020, AGL engaged Biosis to undertake an Aboriginal Cultural Heritage Assessment (ACHA) of the Glenlee property. After a lengthy consultation process the ACHA was submitted to the Director General of Heritage NSW where it was determined that AGL required an Aboriginal Heritage Impact Permit. AGL recently completed the AHIP Application and submitted this to Heritage NSW in September. The AHIP is currently being processed and AGL is awaiting a response from Heritage NSW.
- AGL is currently in the process of assessing future Glenlee Property works to determine if additional ACHA/AHIP's are required.



# Community & Stakeholders

# Supporting community

More than \$52k contributed to local community initiatives this year



Bargo Men's Shed

Thirlmere RFS

Pictor Swim Club

OSCA

Macarthur Australasian Native Orchid Society

Buxton Community Association

Buxton RFS

Camden Swim Club

Animal Trust Society

Karitane

Kids of Macarthur

Flood Relief donations

# Ongoing Community investment

AGL is seeking recommendations for initiatives that can make a meaningful impact.

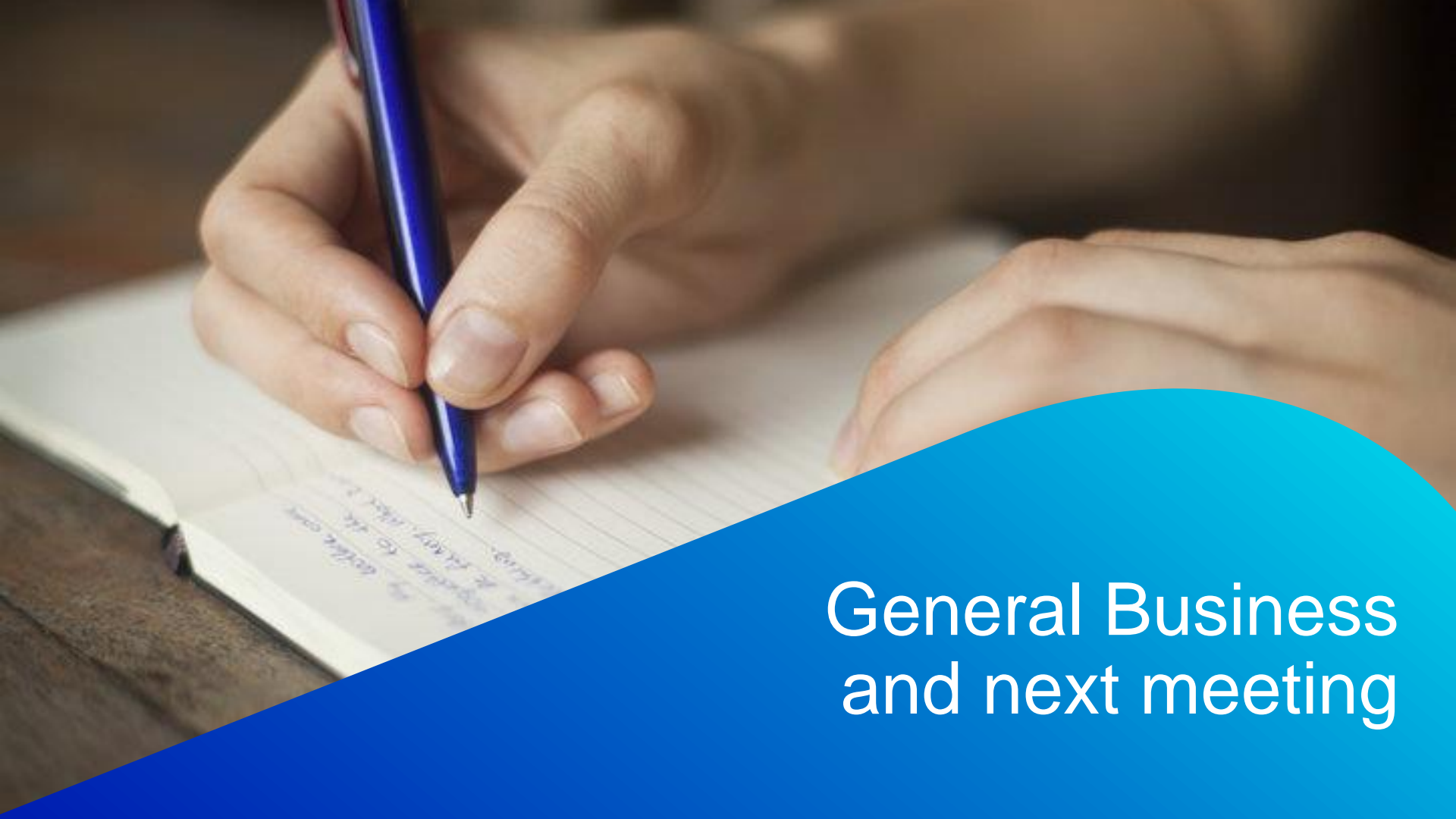


- AGL Camden Gas Project encompasses works across 3 Local Government Areas – Camden, Campbelltown & Wollondilly.
- AGL supported the local communities with \$50,000 pa community investment fund.
- We are committed to community support throughout closure of the Camden Gas Project.
- Looking forward, we want to contribute to support community endeavours across the 3 x LGAs
- We welcome ideas from the CCC on meaningful community initiatives that support health, education, community etc.
- Priority is to identify larger projects – i.e this may be 1-2 projects per LGA.

## **Next steps:**

- CCC to submit ideas to AGL
- AGL will also consult with additional stakeholders.
- Propose to meet approx. April 2023 to discuss and plan next steps.





# General Business and next meeting

# Contact



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