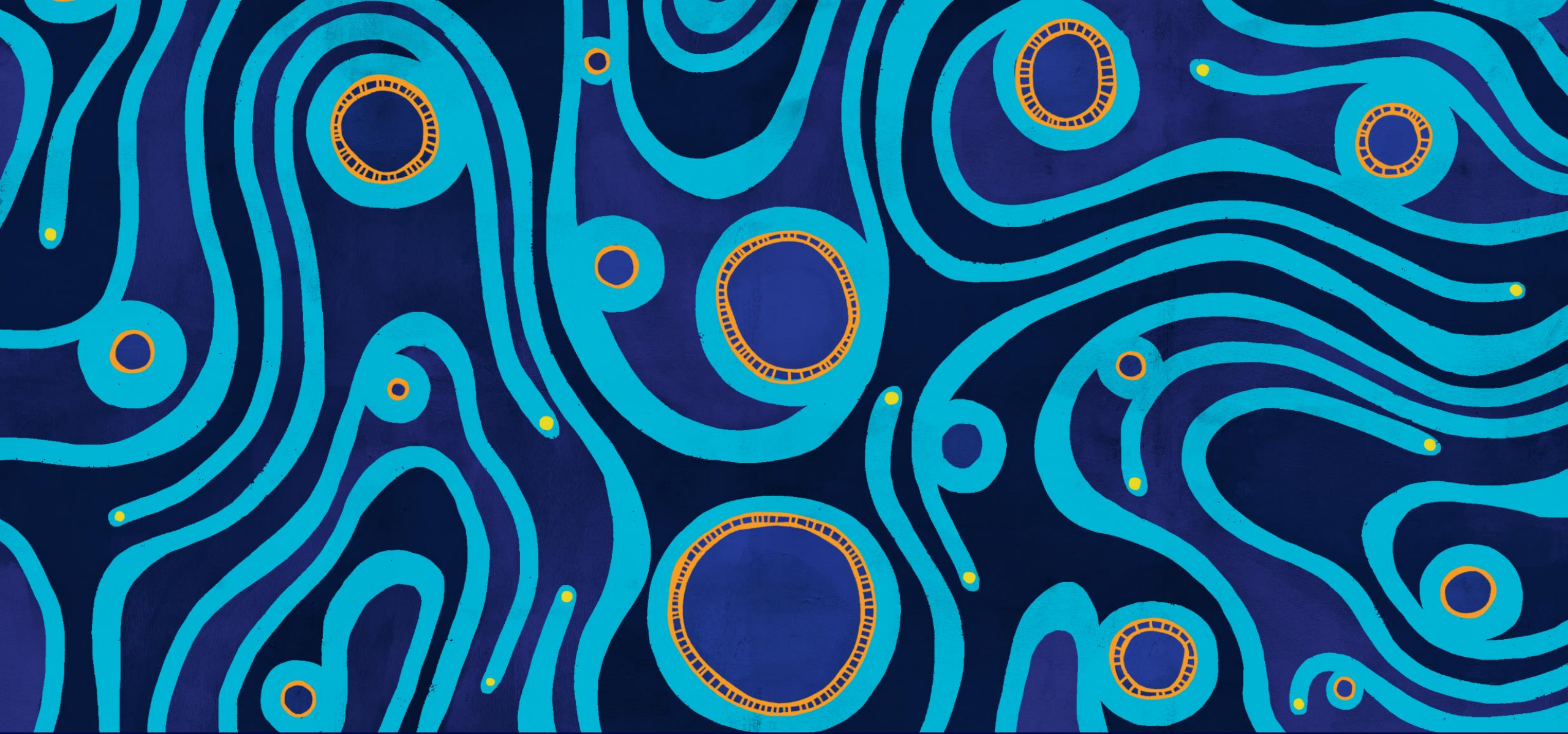


# Newcastle Community Dialogue Group

Thursday, 29 February 2024





We are meeting today in the Hunter Region of New South Wales on the lands of the Worimi People.

We acknowledge the Worimi People as the original Custodians of this land and pay our respects to their Elders past and present.

# Agenda

- 1 Open and welcome, apologies, declarations, previous minutes, business arising and correspondence
- 2 Newcastle Gas Storage Facility latest news
- 3 AGL Update

- 4 Tomago Battery Project Update  
Response to Submissions
- 5 General business, next meeting and close



# NGSF Update

- No major incident, MTIs or LTIs
- Major maintenance activities completed as planned
- Compressors overhaul complete
- Liquefaction started late 2023
- Weather impacted plant operation
- Tank level is 65% ~ 850 TJ of LNG
- Plan to fill the tank by end of May 2024



# Environment update (John M)

- Bushfire Threat Assessment completed by Cool Burn
- Action plan is being implemented by AGL
  - Ember attack – manage leaves, gutters
  - Escape routes – engage with surrounding landholders
  - Perimeter access – maintain 4m clearance
  - Hazard reduction – assess fuel load (t/ha)



## Environment update (John M)

- Wetland ponds - vegetation
  - Updated the Operational Water Management Plan
  - Reviewed work orders – inspection and maintenance
- Environmental presence
  - Lachlan Taylor onsite 1-2 days per week
- External environmental audit (triennial)
  - AGL's compliance with EPL conditions
- NSW Asbestos issue
  - Landscaping contractor confirmed no materials were delivered to site

## NSW environment watchdog investigating asbestos 'concerned' about mulch sold throughout 2023

**Exclusive: EPA also exploring recall of mulch products made by Greenlife Resource Recovery**

- **Asbestos mulch locations: map and full list of sites where it has been found**
- **Get our morning and afternoon news emails, free app or daily news podcast**



# Environment update (John M)

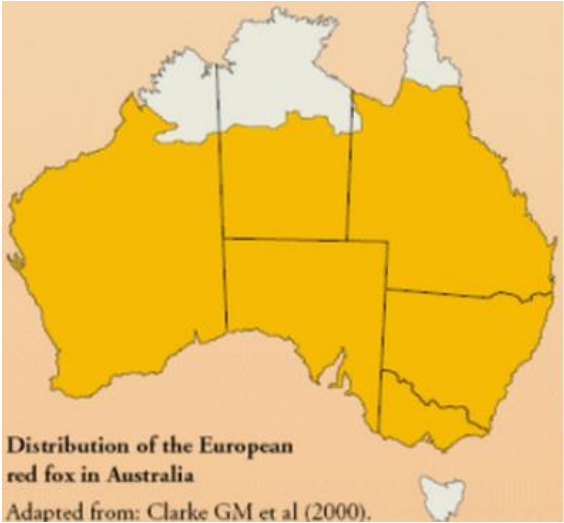
- Medowie offsets property
  - Currently in the 9th year of management
- Rehabilitation works will commence soon within a small area (tree planting, weed control)
- In the 11th year, monitoring will reduce but there is still a strong focus on pest animals and plants



# Medowie monitoring cameras



European red fox

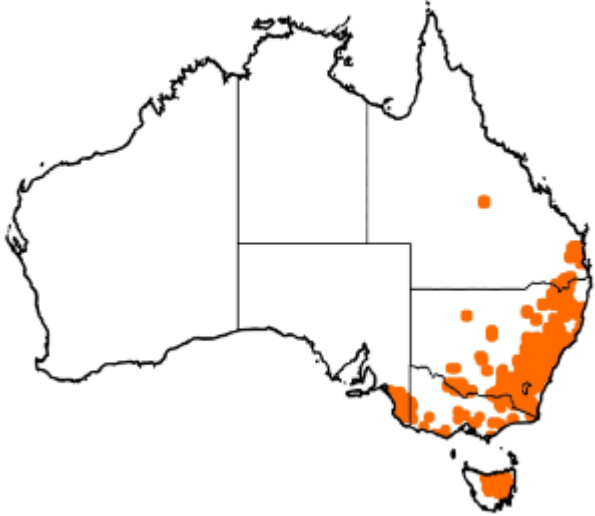




# Medowie monitoring cameras



Fallow deer



# Medowie monitoring cameras



Feral cat

# Environment – next actions

John M to visit NGSF in March:

- Emergency drill
- Assess fire trails
- Assess perimeter track

I will be in contact with all stakeholders following the meeting.

We will not proceed with any hazard reduction (planned burns) without contacting all stakeholders.



# AGL in the Community



Join the change





# Bikers for Kids – Newcastle Toy Run

- Over 12, 000 bikers participated
- Over 5000 spectators attended Connolly Park
- 80 Vendors were part of the day and 3 on stage performers
- Donations and gifts received estimated in value of \$100,000.00
- \$65,000.00 of this was donated to The Salvation Army for local distribution to thousands of families in need.





# Newcastle Gas Storage Facility – Community

Partnerships FY24



Join the change

## Hunter Region Botanic Gardens

We are so thankful AGL supports our strategic plan to grow, conserve and promote plants and support the Hunter community through education and wellness in this amazing natural outdoor space. Your funding over the years, much of which has supported the upgrades of theme gardens has highlighted how sustainable our plants can be. I am particularly pleased Marc gave you a tour of the Palm garden as this AGL funded upgrade inspired so many.



HUNTER REGION BOTANIC  
GARDENS

Thank you AGL on behalf of the 200 volunteers at Hunter Region Botanic Gardens – *Susie Satorie, Director Business Services at Hunter region Botanic Gardens.*

## Newcastle Fringe Festival – A Big Thank You to Principal Sponsor for 2024

“We are thrilled to announce that AGL Australia has once again come onboard as a principal sponsor for the 2024 Newcastle Fringe Festival! AGL Australia has been a proud sponsor of the Newcastle Fringe Festival for five consecutive years, and their continued support has been instrumental in our growth and success. We are incredibly grateful for their partnership and their belief in our festival's vision.



Thank you, AGL Australia, for your ongoing support and dedication to the Newcastle Fringe Festival. Together, we are making a positive impact on the Newcastle arts scene and creating lasting memories for festival-goers.”

## Newcastle Show

AGL NGSF continues commitment to Newcastle Show.

For over 120 years, the Newcastle Agricultural and Industrial Association has provided an annual community platform for over 40,000 Novocastrians and over 280 local businesses to buy, sell, educate, innovate and celebrate all aspects of the Newcastle and Hunter Region.





# AGL Update



Join the change





# FY24 Half-Year Results

8 February 2024



# Our purpose – Powering Australian Life



## Connecting our customers to a sustainable future

Helping our customers decarbonise the way they live, move and work



## Transitioning our energy portfolio

Ambition to add 12 GW of new renewable generation and firming by the end of 2035, while running safely and delivering operational and trading excellence



We will enable this transformation by ensuring a strong foundation:

### Embracing ESG



### Future-fit, people and culture



Our people are empowered as the driving force of a safe, future focused, purpose driven business

### Technology at the core



Growth and CX unlocked through technology, digitisation and AI

### Shareholder value



Providing financial stewardship, effective capital allocation, and strong returns to shareholders



# Strong financial performance and significant investment in the energy transition



## RESULTS SUMMARY

- Strong earnings result for the half:
  - Significantly improved generation availability and portfolio flexibility, including new Torrens Island battery
  - Higher wholesale electricity pricing from prior periods reflected in overall pricing outcomes
  - Strong Customer performance, delivering on strategy to grow customer value



## CONNECTING OUR CUSTOMERS TO A SUSTAINABLE FUTURE

- Helping our customers manage current cost of living pressures – \$35m delivered of a \$70m+ Customer Support Package to customers
- Strong momentum on wholesale and large business customer contracts, expected to be reflected in future earnings
- OVO Australia continues to deliver growth, improved customer experience and rapid innovation



## TRANSITIONING OUR ENERGY PORTFOLIO

- Accelerating options and our decarbonisation pathway, including:
  - Development pipeline almost doubled to 5.8 GW since the CTAP was release in September 2022<sup>1,2</sup>
  - 800 MW of new grid scale batteries in operation, in testing or under construction, adding to our existing 130 MW storage and 2.6 GW renewable portfolios



## OPPORTUNITIES FROM THE CHANGING ENERGY MARKET

- Investing in flexibility to capture value from the changing energy market including:
  - Investing in grid scale batteries
  - Growing DER asset portfolio
  - Flexibility upgrades at Bayswater and Loy Yang A

1) AGL's development pipeline was disclosed as 3.2 GW in its inaugural Climate Transition Action Plan (CTAP), released in September 2022.

2) Please note the 250 MW Torrens Island Battery is now operational and has been removed from AGL's development pipeline.

# Strong first half financial performance



## RESULTS SUMMARY

- **Underlying EBITDA up 78%** to \$1,074 million; **Underlying NPAT up 359%** to \$399 million
  - Increased plant availability and benefits of portfolio flexibility, more stable market conditions compared to 1H23, along with the impact of higher wholesale electricity pricing from prior periods reflected in pricing outcomes and contract positions
- **Interim dividend of 26 cents per share** (unfranked), targeted 50% payout ratio of Underlying NPAT for the total FY24 dividend
- Moderate growth in customer services (+13k); Strategic NPS remains positive at +7
- Strong fleet Equivalent Availability Factor (EAF) of 84.0%, 9.7 pp higher than 1H23

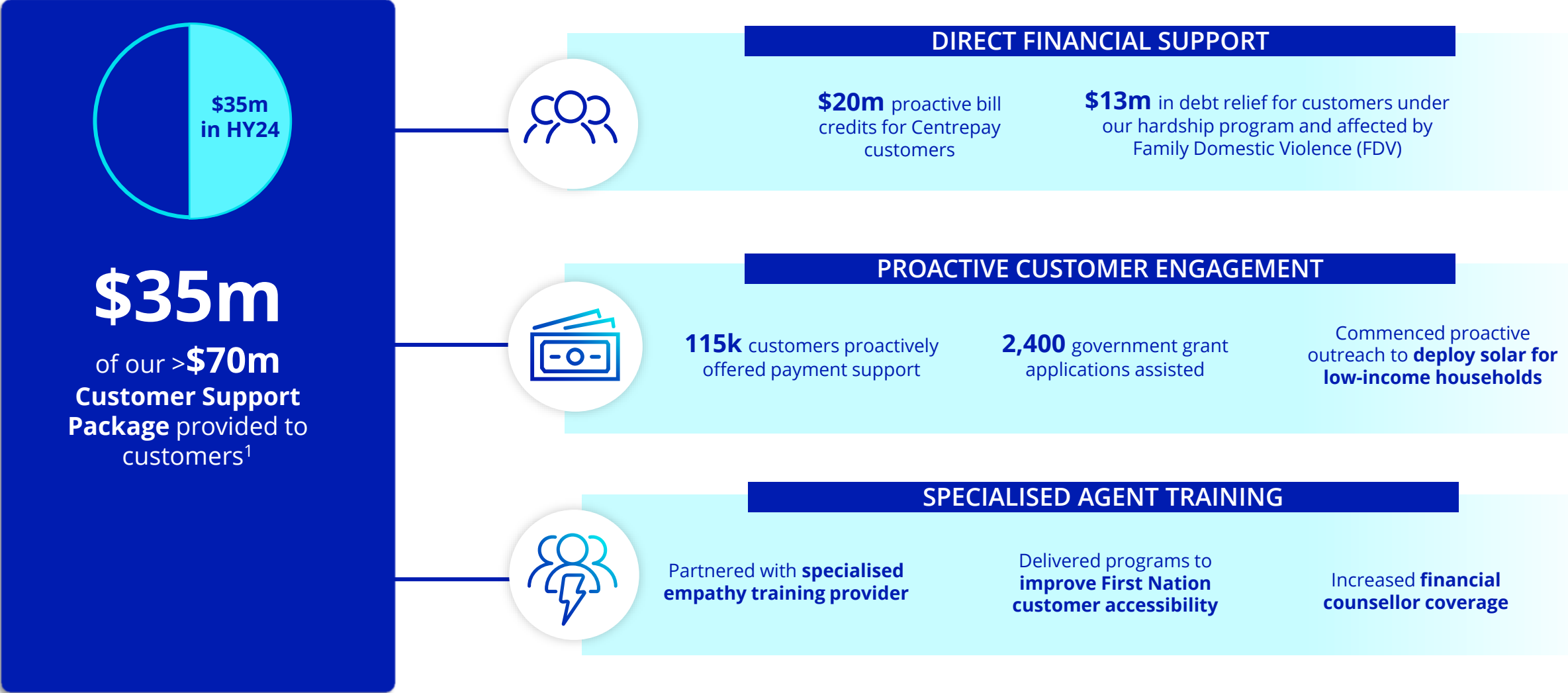


## GUIDANCE


- **FY24 guidance ranges narrowed towards the upper end:**
  - **Underlying EBITDA** between **\$2,025 million** and **\$2,175 million** (previously between \$1,875 million and \$2,175 million)
  - **Underlying NPAT** between **\$680 million** and **\$780 million** (previously between \$580 million and \$780 million)



# Direct relief for customers to ease cost of living pressures



<sup>1</sup>Includes \$33m in direct financial support, and \$2 million in additional engagement and training. Customer Support Package will be delivered over a 2-year period.

1.  1.5 GW of grid scale batteries by FY27

# 500 MW Liddell Battery represents one of AGL's largest investments in the energy transition



## 500 MW / 1,000 MWh

Grid-forming battery project  
Fluence is the EPC provider



## Estimated construction cost of ~\$750m<sup>1</sup>

To be funded on AGL's balance sheet utilising operating cash flow, existing debt facilities and green capex loans



## Will be supported by \$35m ARENA grant



## Long-term Energy Service (LTESA) participant

Successful selection in NSW LTESA firming round



## Expanding on our extensive development expertise

Incorporating experience from the delivery of the 250 MW Torrens Island and 50 MW Broken Hill battery projects



## 20-year asset life

Targeted commencement of operations in mid-2026



Artist's impression of the 500 MW Liddell battery at AGL's Hunter Energy Hub in NSW

1) Please note the total estimated construction cost of approximately \$750m includes engineering, procurement and construction costs, project management costs, overheads, contingency, and interest during construction



### 3. Thermal unit flexibility

## Flexibility upgrades at Bayswater and Loy Yang A continue to deliver operational and financial benefits to AGL

- Thermal coal fleet flexibility is strategically important to mitigate the impacts of lower customer demand / negative pool pricing during daytime periods of peak solar generation
- Almost **3,000 MW** of total flexing capacity across the thermal coal fleet:
  - All four Bayswater units to be flexed down from **~680<sup>1</sup> MW** to **200 MW (~70%** reduction on nameplate capacity). Phase 2 will target 170 MW, albeit further evaluation is required
  - All four Loy Yang A units to be flexed down from **~550<sup>2</sup> MW** to **300 MW (~45%** reduction on nameplate capacity). Progress to lower each unit down to ~230 MW is on track for completion in FY24
- Flexibility upgrades are expected to provide increasing value as renewable generation continues to grow. The upgrades will act together with other flexibility measures (such as batteries) to provide value and risk mitigation for the portfolio
- Flexibility upgrades are within original plant design parameters

**Flexibility upgrades at Bayswater and Loy Yang A have delivered ~\$12 million of portfolio benefits combined in 1H24, through lower coal usage and avoided uneconomic portfolio running**

HY24		Bayswater	Loy Yang A
Portfolio benefits (\$m)	Value of Incremental Flexibility <sup>3</sup>	\$3.8m	\$8.6m
Avoided coal consumption (t)	Savings on Incremental Flexibility	23,000 (black coal)	326,000 (brown coal)

1. Average nameplate capacity across the four Bayswater Power Station Units. Specific nameplate capacities are Unit 1: 660 MW, Units 2,3 and 4: 685 MW. Unit 1 minimum generation is currently operationally restricted to 260 MW

2. Average nameplate capacity across the four Loy Yang A Power Station Units. Specific nameplate capacities are Unit 2: 530 MW, Units 1,3 and 4: 560 MW.

3. Value of incremental flexibility is the reduction of minimum generation from 350 MW to 300 MW at Loy Yang A units, and 250 MW to 200 MW at Bayswater. It includes total portfolio value.

# Tomago Battery Project

Response to Submission -  
Update  
February 29, 2024





# Project Overview

To construct, operate and maintain a Battery at Tomago, NSW:

- Approximately 500 megawatts (MW) and storage of up to 2,000 megawatt-hours (MWh) in capacity
- Transmission line from the Battery land to either the 132kV Transgrid substation (north) or the 330kV Transgrid substation (south)
- Connection to an existing switchyard, including minor works to connect the Battery to the preferred neighbouring substation



250MW Torrens Island Battery, SA



# Project Location

## Land:

- Semi-rural/industrial area with industrial land uses located adjacent to and around the Site

## BESS Site:

- 6 and 6A Old Punt Road, Tomago NSW (Part Lot 5 & Lot 6 in DP1286735)

## Transmission Connections:

- Across Lots 7, 8, 24, 25 and 28 DP1286735, Lot 104 DP1125747 and Lot 3 DP808004.
- The BESS would connect to either:
  - 132 kV substation located on Lot 101 DP1125747; or
  - 330 kV substation located on Lot 3 DP808004, and Lots 102 and 103 DP1125747.



# Schedule





# Agencies Key Matters

AGL will continue to engage with key stakeholders throughout the Environmental Impact Assessment (EIS) and beyond

## NSW Rural Fire Service

- Fire Management Plan (FMP) be prepared and commented that the Tomago BESS development be managed as an Asset Protection Zone (APZ) and that a 'trafficable defensible space' be provided around the perimeter of the site, as well as the installation of a 20,000 L water supply (tank).
- AGL have noted NSW RFS's comments and agree that these shall form conditions of consent.

## DPI Fisheries

- Satisfaction with proposed measures for surface water run-off management and have noted a best practice erosion and sediment controls be required in the conditions of approval AGL have noted NSW RFS's comments and agree that these shall form conditions of consent.
- AGL agrees with DPI Fisheries' recommendation.

# Agencies Key Matters

**AGL will continue to engage with key stakeholders throughout the Environmental Impact Assessment (EIS) and beyond**

## Heritage Council of NSW

- Confirmed Tomago site does not contain any known historical archaeological relics, is not situated in the immediate vicinity of any State Heritage Register (SHR) items and is not listed on the SHR register.
- No further heritage comments from the Heritage

Council of NSW are required

## Heritage NSW DPE

- Heritage NSW requested further information regarding the proposed transmission corridor, to further understand the location, nature, and extent of impacts within this portion of the project area.
- AECOM reviewed impacts from the

transmission line construction was deemed minor within the broader project context.

# Agencies Key Matters

AGL will continue to engage with key stakeholders throughout the Environmental Impact Assessment (EIS) and beyond

## TfNSW

- Potential cumulative impacts with the approved M1 Pacific Motorway extension to Raymond Terrace, and requested confirmation be sought surrounding sufficient vehicle clearance following the proposed Tomago interchange works
- AGL and TfNSW have established communication and have agreed to ongoing consultation throughout all project stages of the M1 extension and the Tomago BESS developments.

## Fire & Rescue NSW

- A Fire Safety Study, an Emergency Plan, an Emergency Services Information Package, and an Emergency Responders Induction Package be developed for the Project.
- AGL agrees these would be developed for the Project and would form conditions of consent



# Agencies Key Matters

AGL will continue to engage with key stakeholders throughout the Environmental Impact Assessment (EIS) and beyond

## Crown Lands

- Project is not in the vicinity of, and will have no impact on, any Crown lands, roads or waterways.

## MEG

- MEG requested AGL undertake consultation with the holder of Exploration License No. 9577
- AGL has confirmed that Exploration License No. 9577 was relinquished in December 2023, and as such, no further consideration will be required.

## PSC

- The key matters raised by PSC comprise ecology, drainage and flooding.
- Drainage and flooding matters have been addressed in the existing Surface Water and Flooding Assessment.
- AECOM's water resource engineers have confirmed that the on-site detention system would be designed to ensure no increase in peak flow between the pre-development and the post-development conditions of the existing main outlets
- The ecology matters raised by PSC largely duplicate the matters raised within BCD's submission and would be addressed using the approach outlined above.

# Agencies Key Matters

AGL will continue to engage with key stakeholders throughout the Environmental Impact Assessment (EIS) and beyond

## DPE Water

- DPE - Water enquired about AGL's ability to secure a water supply for their project and sought clarification on the maximum annual volume of groundwater extraction expected during construction.
- AGL has submitted a Section 50 application to Hunter Water to confirm that the existing water supply network would be able to service the Project, while AECOM has developed a bulk earthworks plan to assess the potential for groundwater interception

## DPE BCD

- The main matters raised by DPE – BCD were surrounding the BDAR methodology, including flora and fauna searches, along with the absence of threatened microbat assessment.
- AGL has updated the BDAR by means of conducting additional surveys and consistency checking biodiversity data, along with providing further justification on relevant survey efforts

Questions



# Contact

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