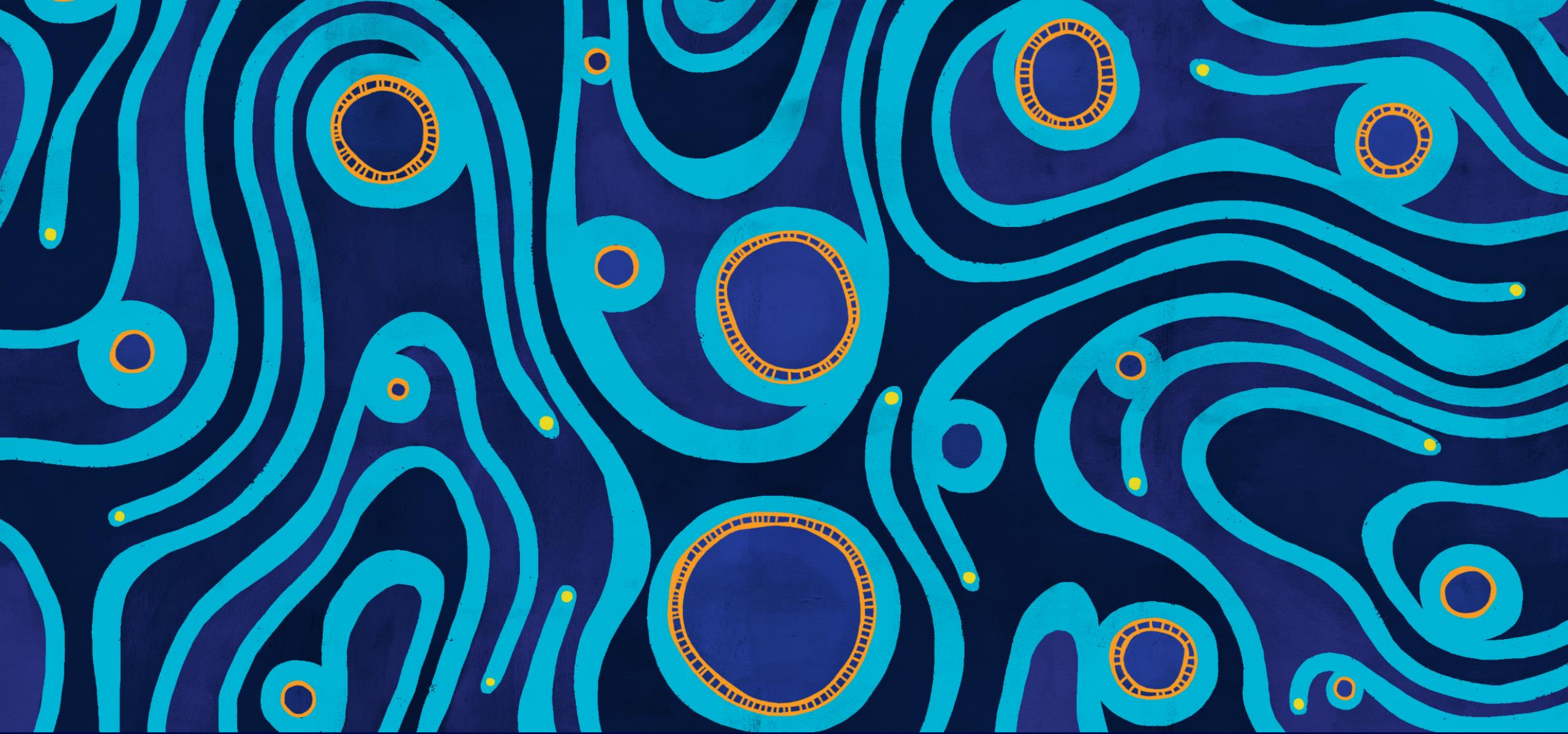


# Newcastle Community Dialogue Group

Wednesday, 26 February 2025





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 Traditional 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
- 5 General business, next meeting and close



# NGSF Update

- No major incident, MTIs or LTIs
- Tank level 1,090 TJ
- Filling to re-commence on 3 March
- Planned maintenance activities completed



# Environment update – personnel

- Regulator visit (EPA) to NGSF on 13 February
  - Routine – every two years
- Upcoming visits:
  - AGL's HSE Risk, Governance and Assurance advisor would like to visit in March/April
  - Concept idea – tour of NGSF open to CDG members/visitors
- I would like to maintain more regular visits due to recent staff changes





# Environment update – biodiversity

- **Weed management**

- Sections of Old Punt Road are overgrown – mowing request submitted
- Trees along edges of pipeline ROW, blocking signage
- Minor infestations (lantana, broadleafs) along our pipeline easement onsite – being treated
- Minor infestations of spiny rush (Juncus acutus) onsite – being treated



# Environment update - biodiversity

- **Feral deer**

- AGL has commissioned Cool Burn to advise on feral deer management across:
  - NGSF
  - Meadowie Offset property
- We propose to:
  - Understand our impacts
  - Determine whether control is needed
  - Determine choice of control having regard to neighbouring properties



Photo: Newcastle Weekly.



# Environment update – bushfire cameras

- Trials at our Loy Yang power station (Melbourne) have not progressed to the point of making an informed choice
- Going out to market to pursue other trials from additional providers
- Process being managed by AGL's Senior Manager of Security and Emergency at Loy Yang



Photo: Noosa Council



# Environment update – water monitoring (Amelia)

- Groundwater and surface water sampling completed in accordance with the Operations Water Management Plan
  - Most recent monitoring conducted in September 2024 and results discussed at last CDG
- Review of ongoing monitoring program requirements completed
  - Recommendation to change frequency from 6 monthly to annual. Based on
    - robust data with 19 monitoring rounds with baseline, construction and operational monitoring data
    - no increase in risk of environmental harm
      - analytes do fluctuate but concentrations well below drinking water criteria
      - low rate of change
- Changes to be endorsed in an updated Operations Water Management Plan
- Next monitoring scheduled for March 2025 and then if approved, will continue annually in March each year

# AGL in the Community

*Jo Ferguson – Manager Community Relations*



# Connecting to Country





# 2024 Deadly Awards

Local Youyoong AECG annual Deadly Awards recognises the achievement of Aboriginal students who have excelled in fields of learning, sport or leadership. Staff who have made a special contribution are also honoured. *Youyoong* is a Worimi word meaning 'to go further'.





# Natural Disaster Declaration in Port Stephens





# AGL School Lunchbox Program



Join the change

Food insecurity in Australia has reached a critical point. Almost half of low-income households have faced food insecurity in 2024, the worst the situation has been since the cost-of-living crisis began.

Our support provides families in need in the Port Stephens area with lunchbox snacks for the school year.

**“The rise in cost of living has meant that everything has gone up dramatically, however, my pay has stayed the same. I have not been able to afford most things... I feel like I’ve failed as a parent because we are really struggling.”**



HOMELESSNESS SUPPORT



HELP WITH FOOD & BILLS



CULTURAL PROGRAMS



DOMESTIC & FAMILY VIOLENCE HELP



PLAYTIME & PARENT GROUPS



CHILD, YOUTH AND FAMILY COUNSELLING





# Supporting prosperity of our communities



Join the change

Events help communities show off their tourism, boost the economy, and create a lively atmosphere. They attract loyal visitors and bring opportunities for tourism, trade, and investment to local areas.

## Newcastle Fringe Festival

## Newcastle Show



MARCH 20TH-30TH 2025

LOOKING BACK ON **2024** ←

<b>9,454</b> PEOPLE ATTENDED FRINGE PERFORMANCES	<b>398</b> ARTISTS	<b>15</b> VENUES
<b>192</b> SHOWS	<b>85</b> ARTIST GROUPS	<b>OVER \$125,000</b> EARNT BY ARTISTS

We're proud to be sponsors of the Newcastle Fringe Festival.

Our commitment to our Australian communities has been a passion for over 180 years and as owner and operator of the Newcastle Gas Storage Facility we're pleased to continue to support the Newcastle Fringe Festival.

[agl.com.au/NGSF](http://agl.com.au/NGSF)



Thank you to our Sponsors



# AGL Update



Join the change





# FY25 Half-Year Results

12 February 2025





# Strong financial performance; Continued execution on business strategy and decarbonisation plan

Targeting Final Investment Decisions for 1.4 GW of grid-scale battery projects over the next 12-18 months



## RESULTS SUMMARY

- **Strong earnings result in line with expectations**
  - Increased earnings and value captured from flexibility in the generation portfolio, including strong battery portfolio performance
  - Consumer customer margin compression due to lower pricing and heightened market competition
  - Higher operating costs and depreciation and amortisation reflecting increased investment in growth and reliability



## CONNECTING EVERY CUSTOMER TO A SUSTAINABLE FUTURE

- **Continued momentum in growing customer services (+46k)**
  - Energy (+14k); Telecommunications (+13k); Netflix (+19k)
  - Customer Satisfaction at 80.6; Strategic NPS remains positive at +3; improved spread to market churn rates
- Retail Transformation Program already delivering benefits to the business; AGL's strategic 20% equity investment in Kaluza completed in January
- Continuing to help our customers manage cost of living pressures
  - \$75m delivered of \$90m Customer Support package to customers



## TRANSITIONING OUR ENERGY PORTFOLIO

- **Building resiliency and flexibility in our operating portfolio**
  - Sophisticated trading and risk management of the portfolio is generating strong earnings
  - 1H25 Thermal Equivalent Availability Factor (EAF) 78.5%<sup>1</sup> 5.5 pp lower than 1H24; continued focus on investment in long term fleet availability; volatility captured 70.6%, up 11.2pp on 1H25
- **Development pipeline increased to 7.0 GW**
  - 500 MW Liddell Battery on track for commencement of operations early 2026
  - Flexible fleet capacity grown to 7.6 GW; 1.4 GW of BESS FIDs targeted in FY25/26
  - Second virtual battery agreement secured with Neoen; Western Downs BESS (200 MW) on track to be fully operational by July 2026

1) Comprises Bayswater, and Loy Yang A coal-fired power stations, and Torrens Island B, Somerton, Barker Inlet and Kwinana Swift gas-fired power stations.

# Fully franked dividend and on track to deliver FY25 guidance



## RESULTS SUMMARY

- **Underlying EBITDA down 1%** to \$1,068 million; **Underlying NPAT down 7%** to \$373 million
  - Underlying EBITDA broadly flat on prior corresponding period due to increased earnings and value captured from flexibility in the portfolio, offset by Consumer customer margin compression and increased operating costs
  - Decrease in Underlying NPAT due to increased depreciation and amortisation resulting from continued investment in the availability and flexibility of AGL's assets
- **Operating free cash flow down 45%** to \$291 million<sup>1</sup>, driven by increased income tax paid and investment in sustaining capex; **Strong cash conversion maintained**
- **Fully franked interim dividend of 23 cents per share**, targeted payout ratio of 50-75% Underlying NPAT for the total FY25 dividend



## GUIDANCE

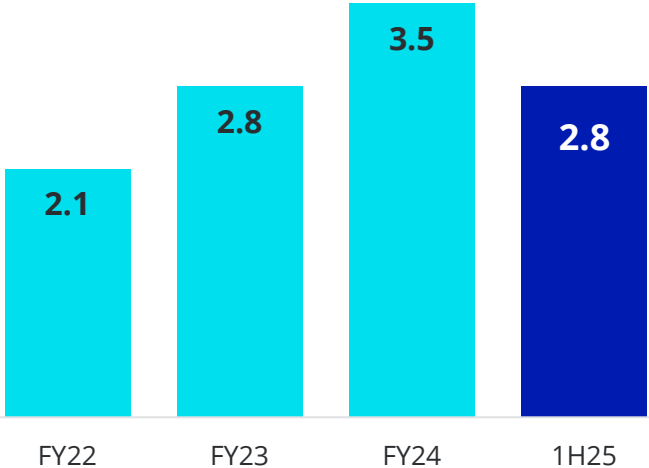
- **FY25 guidance ranges narrowed:**
  - **Underlying EBITDA** between **\$1,935 million** and **\$2,135 million** (previously between \$1,870 million and \$2,170 million)
  - **Underlying NPAT** between **\$580 million** and **\$710 million** (previously between \$530 million and \$730 million)
- Current FY26 and FY27 forward wholesale electricity price curves remain strong

# Improvement in safety performance; CSAT and employee engagement scores remain steady



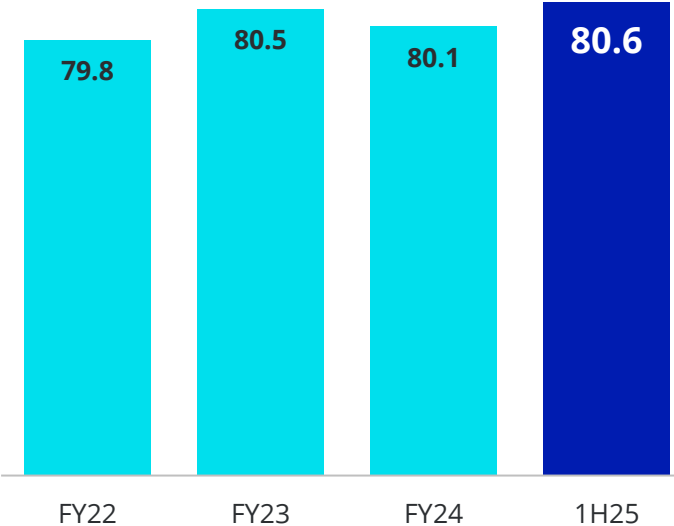
## Safety

**Total Injury Frequency Rate (TIFR)<sup>1</sup> (per million hours worked)**



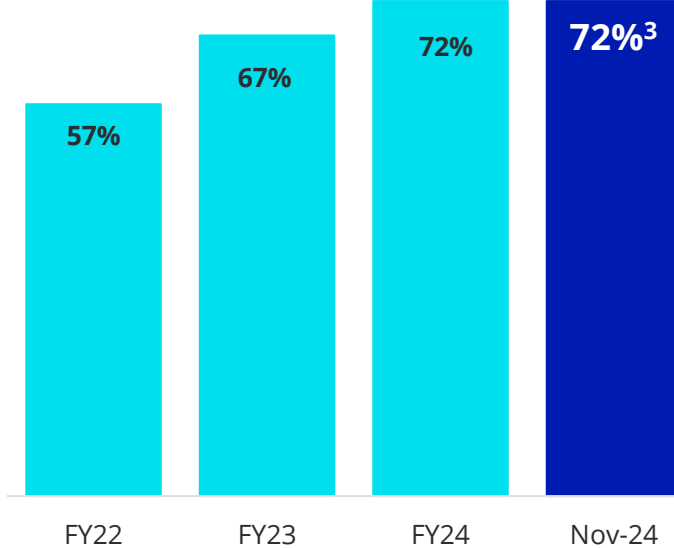
## Customers

**Customer Satisfaction (CSAT)<sup>2</sup>**



## People

**Employee engagement score**



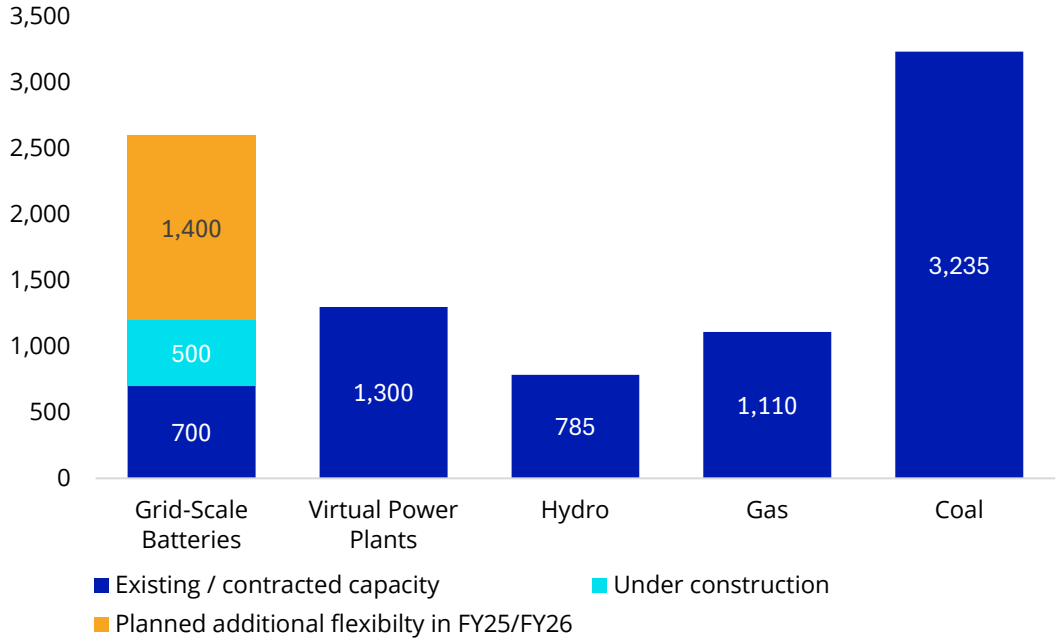
1) Rolling number for 1 January to 31 December 2024, includes employees and contractors.  
 2) AGL Transactional Customer Satisfaction survey – December 2024.  
 3) Results from the 2024 Employee Pulse Survey undertaken in November 2024.



# Our investment in flexibility and availability is continuing to deliver value

**Flexible fleet capacity<sup>1</sup> is 7.6 GW with additional 1.4 GW of targeted FID's in FY25/26**

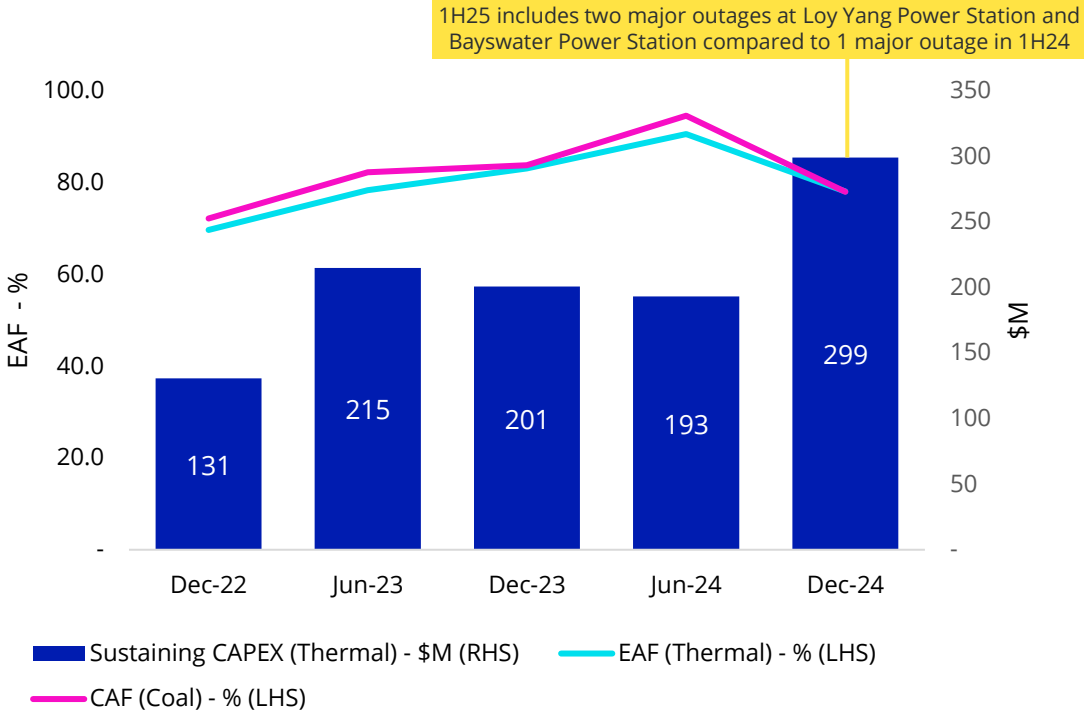
Flexible fleet capacity by asset (MW)



**Our investment in our thermal<sup>2</sup> assets has improved availability over time despite a drop in 1HY25**

(Reflecting the major outage cycles varying from year to year)

Sustaining Thermal Capital Expenditure and CAF/EAF



1. Includes flexible capacity in operation, construction, delivery or contracted  
 2. Comprises Bayswater and Loy Yang A coal-fired power stations, and Torrens Island B, Somerton, Barker Inlet and Kwinana Swift gas-fired power stations.

# Our development pipeline has grown to 7 GW, with new firming options added following acquisitions

- The rapid growth in size and maturity of AGL's development options has laid a solid foundation for AGL's portfolio transition
- Clear pathway to FID for 1.4 GW of firming projects within the next 12-18 months, including projects from the acquisition of Firm Power and Terrain Solar<sup>1</sup>
- The acquisition of Firm Power & Terrain Solar provided ~8 GW<sup>2</sup> of new project options. 3.6 GW of the more advanced projects have been added to the portfolio. The balance of the projects (e.g. solar projects) are currently being developed and assessed for future addition to the portfolio

PROJECT	TYPE	STATUS	CAPACITY/DURATION
<b>IN OPERATION: 300 MW</b>			
Torrens Island Battery (SA)	Firming	In operation	250 MW / 1 hr
Broken Hill Battery (NSW)	Firming	In operation	50 MW / 1 hr
<b>DEVELOPMENT PIPELINE: 7.0 GW</b>			
Liddell Battery (NSW)	Firming	Under construction	500 MW / 2 hrs
AGL Firming Pipeline	Firming	Development	2.6 GW
Firm Power Firming Pipeline	Firming	Development	1.2 GW
AGL Renewable Pipeline	Renewable	Development	2.7 GW
<b>EARLY-STAGE OPPORTUNITIES: 9.0 GW</b>			
Gippsland Skies Offshore Wind <sup>3</sup>	Renewable	Partnership	~2.5 GW
AGL Firming	Firming	Development	3.2 GW
Firm Power Firming	Firming	Development	2.4 GW
Other AGL Renewable	Renewable	Development	0.9 GW
<b>Total AGL Pipeline: 16.3 GW</b>			
<b>TILT RENEWABLES DEVELOPMENT PIPELINE<sup>4</sup> &gt; 3.5 GW</b>			

1. Not all development projects are expected to proceed to FID. FID timelines are subject to planning, connection and commercial outcomes.
2. Includes ~600 MW of Joint Development Agreements.
3. Gippsland Skies Offshore Wind is a consortium in which AGL has a 20% interest.
4. AGL has 20% ownership in Tilt Renewables.

# Clear pathway to FID for 1.4 GW of batteries in the next 12-18 months

Targeting FID on 1 GW of battery projects in CY25

- The projects are expected to deliver post tax project returns of between 7 and 11%<sup>1</sup>
- The projects are expected to be funded on balance sheet, with AGL's cashflows, strong liquidity and debt headroom to provide the necessary capital, noting that each project will take 2 to 3 years to build



1. Based on observable peer projects.  
AGL Energy FY25 Half-Year Results | 12 February 2025



# 500 MW Liddell Battery on track for early 2026

250 MW expected to be operational in early 2026; remaining 250 MW expected by April 2026



## 500 MW / 1,000 MWh

Grid-forming battery with a 20-year asset life. Fluence is the EPC provider.



## Commencement of operations expected in early 2026

~30% complete with 1,055 battery cubes on site. Next milestone is the major equipment delivery and generation registration completion. Phased implementation with 250 MW expected to be operational in early 2026 and the remaining 250 MW expected by April 2026.



## Site mobilisation successfully completed

Bulk civil earthworks are progressing. This includes cut-and-fill operations, bench preparation, and the installation of stormwater and drainage systems. Transgrid has commenced civil works at the switchyard and battery substation.



## Expanding on our extensive development expertise

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



## Capex on target

50% already invested with delivery of battery main components complete. Estimated construction cost of \$750m funded on AGL's balance sheet utilising operating cash flow, existing debt facilities (including green capex loans)



1,055 battery cubes delivered to the Liddell Battery layout area

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

# Priorities for FY 2025



## Customers

Helping our customers decarbonise the way they live, move and work while transforming our retail business.



## Portfolio

Developing our renewable and firming capacity pipeline, including repurposing our existing thermal sites into energy hubs



## Business

Running our business exceptionally well, while maintaining a strong focus on health, environment and safety.



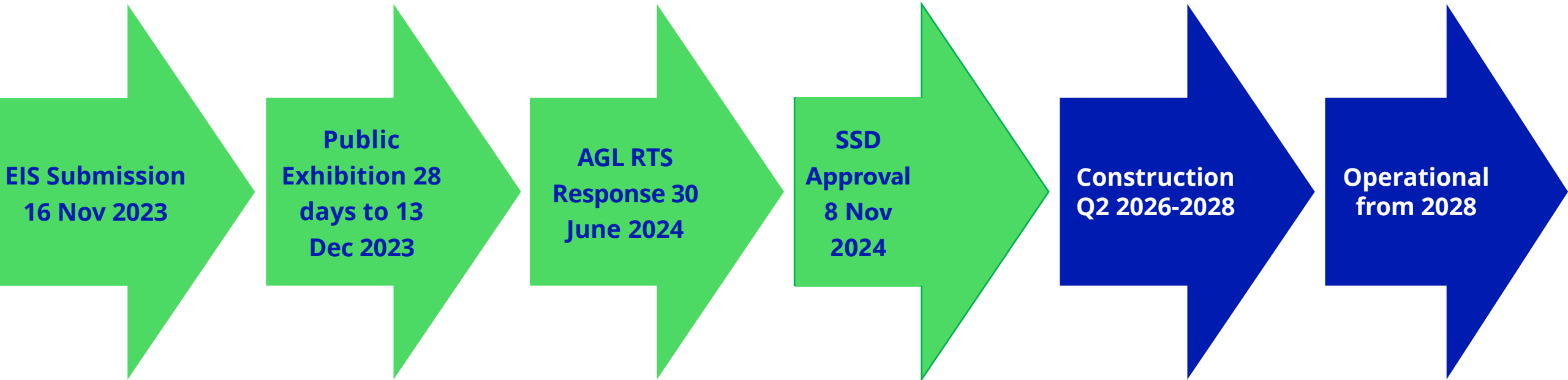
# Tomago Battery Project

500MW/2000MWh (4 hours duration)





# Schedule



# Proposed Amendments

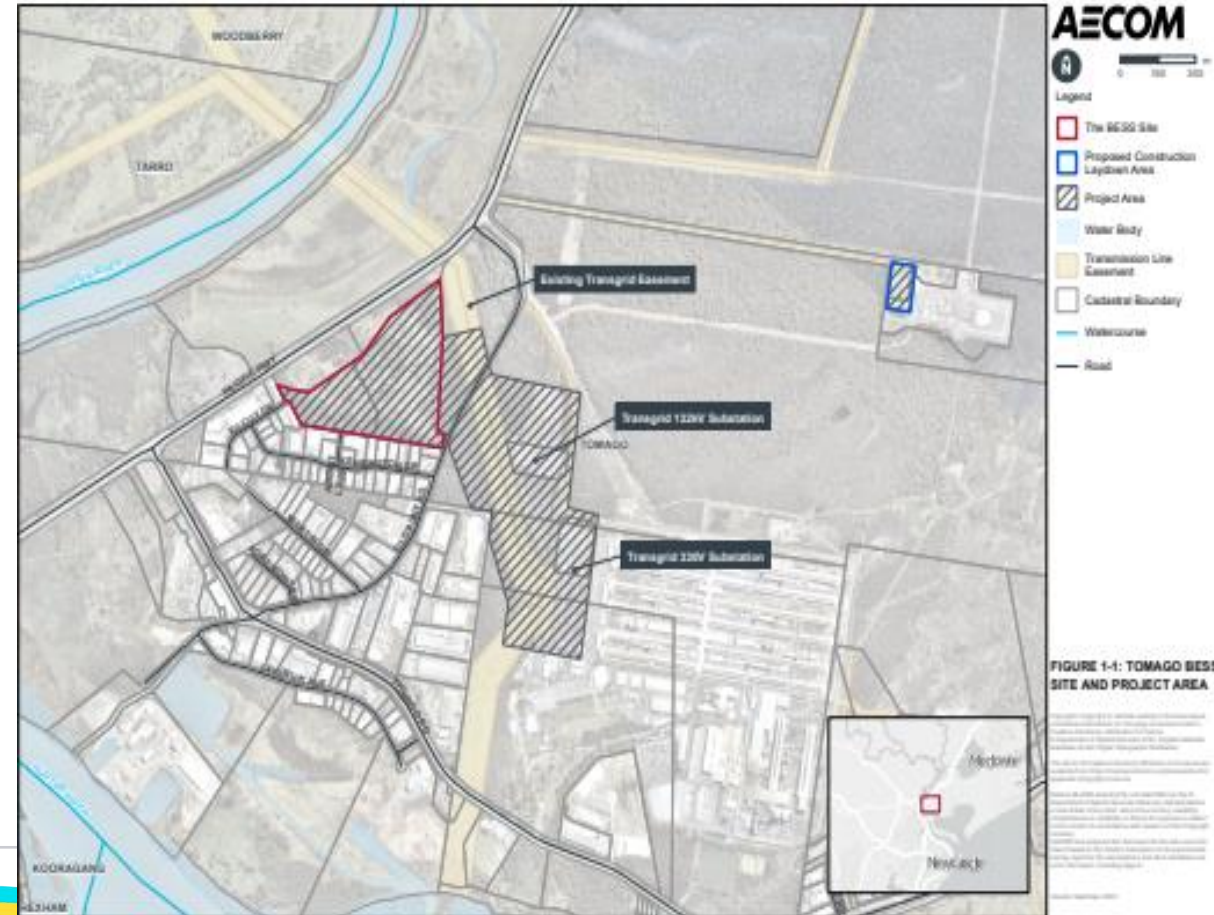


Join the change

AGL seeks to amend:

- Condition B1: increase heavy vehicle movements (requiring escort) – currently a maximum of 12 during construction, upgrading and decommissioning. Update Addendum TIA
- Condition B28: enable staging (Condition C3) of FSS so that approval of the final FSS for the battery components is not required until the components, are due to be installed and energised.

Note – 132kv Transmission Line Route chosen



# Post Approvals Requirements



Join the change

Conditions of Consent includes completion/preparation of:

- a new access point off Old Punt Road
- an independent dilapidation survey
- detailed plans of final layout & commencement dates
- Traffic management plan in consultation with TfNSW
- Biodiversity Management Plan in consultation with BCS
- Heritage Management Plan in consultation with Heritage NSW and Aboriginal stakeholders
- Fire Safety Study in consultation with FRNSW and DPHI
- Environmental Management Strategy to the satisfaction of the Planning Secretary
- VPA agreements with PSC
- Credit modification report
  - Removal of 330kV transmission line option (132kv selected)
  - Additional surveys completed for flora and fauna post approval



## Tomago Battery Site Weed Management

- Council notified AGL of an outbreak of a high priority weed (Groundsel Bush) via email on 30 Sept 2024
- Site inspection with Council, AGL and AGL engaged ecologist (Coolburn) undertaken on 8 Oct 2024
- Worimi Green Team operations manager Ray McMillan inspected site on 23 Jan 2025
  - Plant has not flowered yet; generally occurs in spring.
- First round of weed management to commence soon
  - ensure that Groundsel cannot flower this season
  - compliance with biosecurity obligations
  - posi-track with mulching head and spot spraying to be used.
- Ongoing monitoring and management to occur prior to construction and as part of Biodiversity Management Plan (condition of consent) during construction/operation.

# Questions

# Thankyou!