



Vision	Target FY2012	Performance FY2012	Target FY2013
Carbon risk			
Continuing to lower the emissions intensity of AGL.	Intensity compared to Australian electricity average ¹ : >50% below	Intensity compared to Australian electricity average ¹ : >60% below	✓ Emissions intensity of investments in new generation capacity lower than 0.7 tonnes per MWh.
Sustainable generation sources			
Australia's largest renewable energy company.	Renewable proportion of operated generation capacity ² : 48%	Renewable proportion of operated generation capacity ² : 48%	✓ Increase renewable investment capacity to 1,740 MW.

Carbon risk

The carbon intensity of AGL's operated generation portfolio decreased this year, due to a larger proportion of electricity generation from AGL's operated wind and hydro generators, which have very low greenhouse gas emission intensities.

The Loy Yang A Power Station has a carbon intensity of around 1.3 tCO₂e/MWh. This will cause the carbon intensity of AGL's operated portfolio to increase significantly in FY2013 from 0.35 to around 1 tCO₂e/MWh. It is important to note that this will not represent an increase in total emissions from the Australian electricity generation sector, but rather a reallocation of emissions from one organisation to another. The total emissions from Loy Yang are expected to remain reasonably constant year on year.

AGL uses three additional approaches to measure and communicate greenhouse gas performance. The Operational Footprint, Equity Footprint and Energy Supply Footprint provide a complete account of the annual greenhouse impacts of AGL's operations, investments and the energy supplied to our customers, and will be available in the AGL 2012 Sustainability Performance Report.

Sustainable generation sources

During FY2012, AGL commenced operation of the 52.5 MW AGL Hallett 5 Wind Farm and the 67 MW AGL Oaklands Hill Wind Farm respectively, increasing AGL's operated renewable generation capacity to 1,320 MW. Prior to the Loy Yang acquisition on 29 June 2012, 48% of AGL's operated generation portfolio was renewable.

While the proportion of renewable energy in AGL's operated portfolio declined to 27% on acquisition of Loy Yang, AGL remains the largest operator and developer of new renewable energy in Australia.

As at 30 June 2012, AGL has an additional 420 MW of renewable generation under construction, as well as a pipeline of further renewable and gas-fired generation development opportunities.

During FY2012, AGL also acquired the development rights for the Silverton Wind Farm in New South Wales (up to 300 MW in stage 1), and was selected by the Commonwealth Government as a successful proponent in the Solar Flagships program, to develop 2 large scale solar PV projects in New South Wales, totalling 159 MW.

¹ Figures refer to the sent out greenhouse gas emissions intensity of generation (scopes 1 and 2) from electricity generation assets over which AGL had operational control during FY2012. Generation from AGL Loy Yang is not included in these figures for either the period up to, or following the AGL acquisition (generation from AGL Loy Yang will be included from FY2013 onwards). Generation assets that are not operated by AGL are not included (for example, where AGL has a right to electricity output or power purchase agreements with power stations operated by other organisations).

² Figures refer to the capacity of electricity generation assets over which AGL had operational control, as at 28 June 2012, prior to the Loy Yang acquisition. The renewable component includes the installed capacity of hydro, wind, solar, biomass, biogas and landfill gas generation assets operated by AGL. Generation assets that are not operated by AGL are not included (for example, where AGL has rights to electricity output or power purchase agreements with power stations operated by other organisations).