



meridian

Greenhouse Gas Emissions Inventory Report

Inventory Scope: Meridian Group (all facilities)

Inventory Period: For the period 1 July 2017 to 30 June 2018

Version: Final

Audit Status: Verified (reasonable assurance)

Prepared by: Rob Gillespie, Management Accountant
Elizabeth Liddell, Systems Accountant

Reviewed by: Alison Howard, Head of Sustainability
Jason Stein, General Counsel & Company Secretary

<p>Final review by:</p>  <p>Kelvin Mason Financial Controller</p>	<p>Approved by:</p>  <p>Paul Chambers Chief Financial Officer</p>
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Disclaimer

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This work shall not be used for the purpose of obtaining emission units, allowances or carbon credits from two or more different sources in relation to the same emissions reductions, or for the purpose of offering for sale carbon credits which have been previously sold.

The consolidation approach chosen for the greenhouse gas inventory should not be used to make decisions related to the application of employment or taxation law.

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Greenhouse Gas Emissions Inventory Summary

ISO 14064-1, 7.3.1 (e)

Table 1: Greenhouse gas emissions inventory summary for the Meridian Group

Scope	Category	Meridian NZ	Meridian Australia	Powershop NZ	Flux NZ	2017/18 tCO ₂ e
Direct Emissions (Scope 1)	Stationary combustion	-	-	-	-	-
	Mobile combustion	936	81	0	1	1,018
	Fugitive emissions	336	274	-	-	610
	Subtotal	1,272	355	0	1	1,628
Indirect Emissions (Scope 2)	Electricity consumption (location based)	1,355	576	18	11	1,960
	<i>Electricity consumption (market based)*</i>	<i>1,355</i>	<i>-</i>	<i>18</i>	<i>11</i>	<i>1,384</i>
	Subtotal (location based)	1,355	576	18	11	1,960
Indirect Emissions (Scope 3)	Capital goods	15	-	n/a	n/a	15
	Fuel & energy related activities	237	26	2	1	266
	Upstream transportation & distribution	351	53	n/a	n/a	404
	Waste generated in operations**	16	-	nm	nm	16
	Business travel	1,214	318	66	166	1,764
	Subtotal	1,833	397	68	167	2,465
Total Emissions (S1, 2 & 3)		4,460	1,328	86	179	6,053

*Market based mechanisms are not available in New Zealand. Australia has market based mechanisms and Meridian Australia purchases its own National Carbon Offset Scheme (NCOS) certified carbon neutral retail electricity product for its own use.

**MEL office waste only

nm not measured

n/a not applicable

Table 2: Total greenhouse gas emissions by business activity and facility

Emissions Source	Meridian NZ	Meridian Australia	Powershop NZ	Flux NZ	2017/18 tCO ₂ e
Corporate					
Air travel	1,200	315	66	166	1,747
Car travel	709	103	1	1	814
Boat travel	466	-	-	-	466
Electricity used in offices (incl. line losses)	175	82	19	12	288
HFCs	70	-	-	-	70
Office waste (parent company only)	16	nm	nm	nm	16
Subtotal	2,636	500	86	179	3,401
Generation / retail					
Fuel consumption for electricity generation	-	-	n/a	n/a	-
Electricity used in facilities	1,192	501	n/a	n/a	1,693
Generation contractor fuel	156	53	n/a	n/a	209
SF6 leakage	266	274	n/a	n/a	540
HFCs	-	-	n/a	n/a	-
Retail maintenance and meter reading	165	nm	nm	nm	165
Subtotal	1,779	828	-	-	2,607
Construction					
Major materials used	15	-	-	-	15
Freight of major materials	30	-	-	-	30
Contractor fuel on site	-	-	-	-	-
Electricity consumption	-	-	-	-	-
Subtotal	45	-	-	-	45
Total	4,460	1,328	86	179	6,053

Table 3: Total greenhouse gas emissions by greenhouse gas

GHG Gas	Meridian NZ	Meridian Australia	Powershop NZ	Flux NZ	2017/18 tCO ₂ e
Scope 1					
CO ₂	929	80	0	1	1,010
CH ₄	0	0	0	0	0
N ₂ O	7	1	0	0	8
HFCs	70	-	-	-	70
SF ₆	266	274	-	-	540
Subtotal	1,272	355	0	1	1,628
Scope 2					
CO ₂	1,355	576	18	11	1,960
Subtotal	1,355	576	18	11	1,960
Scope 3					
tCO ₂ e	1,833	397	68	167	2,465
Subtotal	1,833	397	68	167	2,465
Total	4,460	1,328	86	179	6,053

1 Introduction

Responding to the global issue of climate change caused by escalating greenhouse gas (“GHG”) emissions presents opportunities for the Meridian Energy group of companies (“Meridian”) as a renewable energy organisation. There is world-wide momentum among governments and other agencies to adopt a range of measures including economic incentives for industries and for consumers to reduce such emissions.

This report is the annual greenhouse gas (GHG) emissions¹ inventory report for the Meridian Group of companies. The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to the organisation’s operations within the declared boundary and scope for the specified reporting period.

Our reporting processes and emissions classifications are consistent with international protocols and standards. This report has been written in accordance with Part 7.3.1 of the requirements of International Standards Organisation ISO 14064-1². Where applicable discretionary information has been disclosed consistent with section 7.3.2 of the Standard. The inventory has also been prepared in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2004) (the GHG Protocol).

Meridian has calculated its own “carbon footprint” since 2001. From 2006 to 2010 the organisation certified its electricity product under the carboNZero^{Cert}™ programme and in FY12 and FY13 met the requirements for CEMARS® certification. Whilst Meridian continues to manage and report on GHG in a similar manner to previous years, no external certification is sought.

For the purposes of this report “Meridian” and “Meridian Energy Ltd” refer to the organisation with no accounting or legal inference. “Meridian Group” is used to refer to all four facilities. For definitions of these facilities, and more information on the organisational and reporting boundaries refer to Section 6.

2 Statement of Intent

Meridian is intent on demonstrating consistency with best practice accounting for greenhouse gas emissions.

This report:

- relates specifically to the emissions of the Meridian Group;
- has been prepared following the requirements outlined in ISO 14064-1 and the GHG Protocol;
- has been prepared as part of an ongoing commitment to measure and manage emissions on a regular basis; and
- excludes future targets.

¹Throughout this document “emissions” means “GHG emissions”.

²International Standards Organisation *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*, Reference number ISO 14064-1:2006 (E).

3 Description of Meridian

ISO 14064-1, 7.3.1 (a) and 7.3.2 (a)

Meridian is New Zealand's largest electricity generator. The Meridian Energy Group of companies is made up of:

- Meridian Energy Limited (the “Parent”) and
- our subsidiaries (together the “Group”) and
- the Group’s interest in partnerships and joint ventures.

Meridian undertakes a variety of activities in the energy sector. Its primary activity is the renewable generation and retail of electricity. Other activities include:

- professional services relating to the upkeep of dams;
- development of software used by electricity retailers;
- licencing of electricity retailing software and the Powershop brand to overseas companies; and
- captive self-insurance services.

For further information about the organisation please refer to the Meridian Energy Limited FY18 Integrated Report which is available at www.meridianenergy.co.nz. For more information in regards to the facilities that comprise the Meridian Group see Section 6.

3.1 GHG and Sustainability Policies, Strategies and Programmes

Meridian Energy’s purpose is to provide “clean energy for a fairer and healthier world”. Our key contributions (aligned to the United Nation’s seventh and thirteenth Sustainable Development Goals) are reliable and affordable electricity, renewable energy, and a reduction in NZ’s carbon footprint.

In support of these goals, we have Greenhouse Gas Emissions Measurement and Management Guidelines, approved by Meridian’s Executive Team in June 2009 and revised in January 2013 and June 2015. These guidelines outline how Meridian will measure and manage our greenhouse gas emissions with the objective of understanding, transparently disclosing and reducing the emission intensity of our operations.

A focus on GHG measurement and management, of which this GHG Inventory Report is a part, enables us to improve our workplace sustainability, and gives us case studies we can share with our customers and communities. Specifically, GHG management advances the following objectives:

- Reducing the company’s overall environmental footprint by reducing, reusing and recycling resources;
- Encouraging our partners and suppliers to follow a sustainable development pathway and promoting leadership in this area.

4 Persons Responsible

ISO 14064-1, 7.3.1 (b)

This GHG inventory is ultimately the responsibility of the Board of Directors.

The person responsible for this GHG inventory is Paul Chambers, Chief Financial Officer.

In addition the GHG accounting and reporting team have provided background and supporting information.

These team members are:

- Alison Howard, Head of Sustainability;
- Elizabeth Liddell, Systems Accountant;
- Rob Gillespie, Management Accountant
- Ewan Gestro, Commercial Insight Manager (electricity generation, purchases and power station electricity data);
- Jamie Bishop, APX Travel Management (air and rental car travel data)
- Cameron Hebley, Custom Fleet (fleet vehicle travel and fuel data)
- Nick Robilliard, Procurement & Property Manager (business travel and all vehicle data inputs);
- Daniel Williamson, HR Analyst (HR data);
- Peter Harding, Management Accountant (office electricity consumption data);
- Numerous Markets & Production staff (one-time emissions sources, SF₆);
- Sandy Iti, Broad Spectrum (office waste and air conditioning);
- Haiden Jones (Meridian Energy Australia Pty Ltd);
- Tylee Bryne, Office Manager (Powershop Limited).
- Katrina Cooper, Office Manager (Flux Limited (NZ))
- Glen Dunlop, Meter Reading & Field Services Data

5 Reporting Period Covered

ISO 14064-1, 7.3.1 (c)

This GHG inventory report covers the financial year 1 July 2017 to 30 June 2018.

6 Organisational Boundaries

ISO 14064-1, 7.3.1 (d)

The organisational boundary determines the parameters for GHG reporting in the Meridian Group GHG inventory. The boundaries were set with reference to the methodology described in the GHG Protocol and ISO14064-1 standards. The boundary encompasses the operations owned or controlled by Meridian, its subsidiaries, associate companies and joint ventures in the Meridian Group.

6.1 Consolidation approach

Meridian applies the operational control consolidation approach to the Meridian Group emissions inventory. This consolidation approach allows us to focus on those emissions sources over which we have control and can therefore implement management actions, consistent with Meridian's corporate responsibility objectives.

The table in Appendix 1 sets out how each entity in the Meridian Energy Group is treated. Appendix 2 contains a diagram of the Meridian Energy Group corporate structure as at 30 June 2018.

For further information about the organisation please refer to the Meridian Energy Limited FY18 Integrated Report which is available at www.meridianenergy.co.nz.

6.2 Defining Meridian "facilities"

Meridian's diverse activities and resulting emissions are categorised into "facilities" in line with Annex A of ISO 14064-1 which requires that the data should be retained in its disaggregated form to aid transparency and to provide maximum flexibility in meeting a range of reporting requirements.

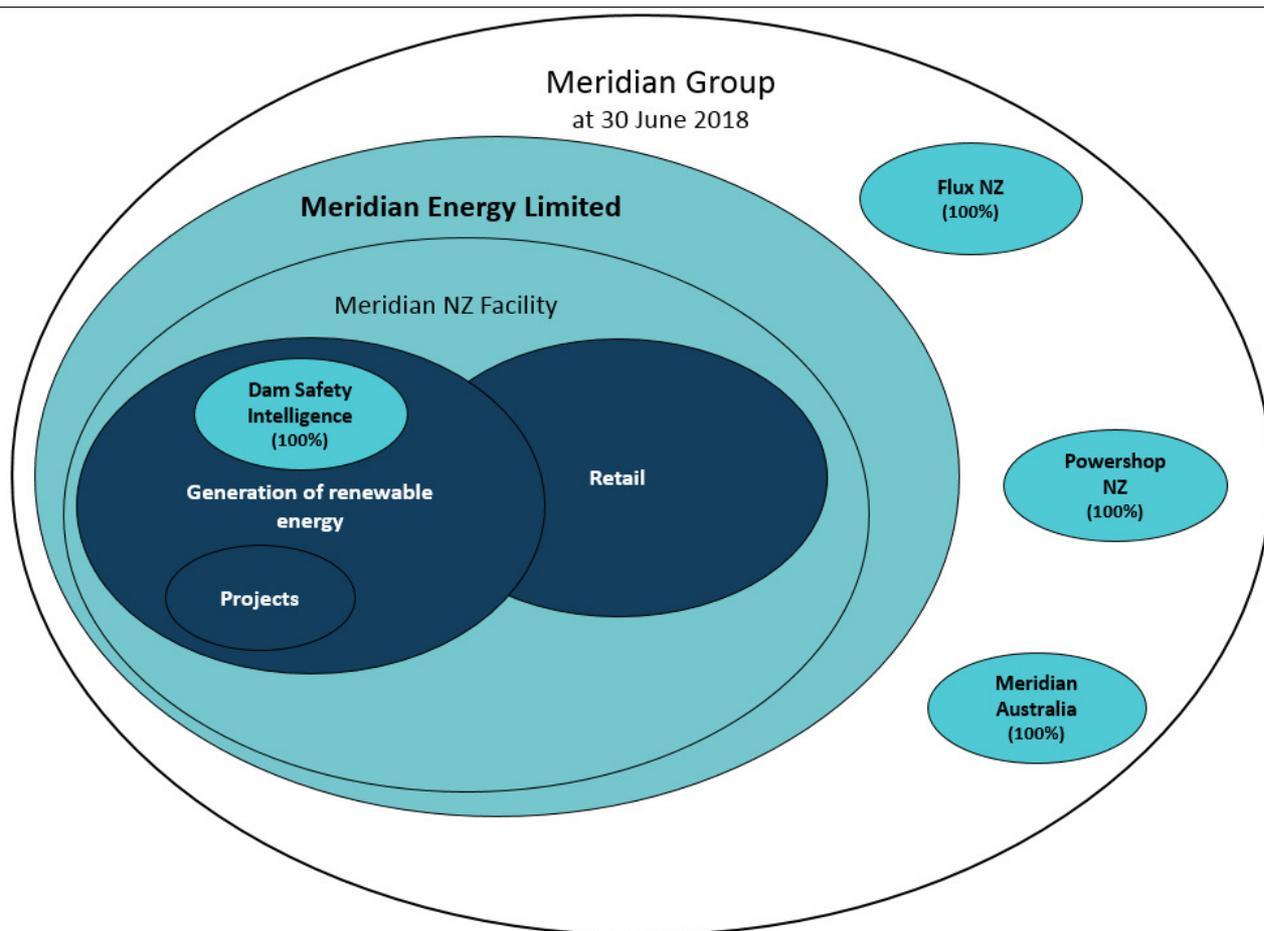
A facility is an operation which, by the nature of its processes or geography, can be separately accounted for. ISO 14064-1 defines a *Facility* as:

*"a single installation, set of installations or production processes (stationary or mobile), which can be defined within a single geographical boundary, organizational unit or production process"*³

For the year ended 30 June 2018 these facilities are: Meridian New Zealand, Powershop NZ, Flux NZ, and Meridian Australia as illustrated in the following diagram.

Figure 1: Facilities comprising the Meridian Group

³ ISO 14064-1, section 2.21 p 3



6.3 Defining the Individual Facilities

A brief description of each of the facilities (including which legal entities are included within them) follows. See Appendix 2 for an organisational chart.

Facility	Description
Meridian NZ	<p>This includes emissions arising from Meridian's core activities associated with the generation and retail of electricity from renewable resources. Meridian New Zealand supplied 225,037 customer connections as of 30 June 2018 and employed 668 people (628 FTEs on average during FY18).</p> <p>It includes the following legal entities:</p> <ul style="list-style-type: none"> • Meridian Energy Limited • Dam Safety Intelligence Limited • Meridian Energy Captive Insurance Limited • Meridian Limited (non-trading) • Meridian Energy International Limited (non-trading) • Meridian LTI Trustee Limited
Powershop NZ	<p>Powershop conducts energy retailing activities within Powershop New Zealand Limited under the Powershop brand. Powershop employed 141 people and supplied around 65,719 customer connections as of 30 June 2018. Further information about Powershop can be found at www.powershop.co.nz.</p>

Flux NZ	Software provider for Powershop New Zealand, Powershop Australia and white label product within U.K. Flux employed 131 people. Further information about Flux can be found at https://fluxfederation.com .
Meridian Australia	Meridian carries out generation development and electricity retailing activities in Australia. Meridian Australia employed 67 people and supplied 100,545 customer connections through the Powershop brand as of 30 June 2018. There are five companies trading in this group: <ul style="list-style-type: none"> • Meridian Energy Australia Pty Ltd • Mt Mercer Windfarm Pty Ltd • Mt Millar Wind Farm Pty Ltd • Powershop Australia Pty Ltd • GSP Energy Pty Ltd This facility also includes several non-trading legal entities. Further information about Meridian Australia can be found at www.meridianenergy.com.au .

7 Operational Boundaries and Information Management Procedures

ISO 14064-1, 7.3.2 (k) and 4.2

GHG emissions sources were identified with reference to the methodology described in the GHG Protocol and ISO 14064-1 standards and confirmed through personal communication with Meridian staff. Emission sources identified were reviewed against expenditure records for this reporting period in order to identify the activities that may create emissions.

As adapted from the GHG Protocol and ISO (Annex), these emissions were classified into the following categories:

- Direct GHG emissions (Scope 1): GHG emissions that are operationally controlled by the company;
- Indirect GHG emissions (Scope 2): GHG emissions from the generation of purchased electricity, heat or steam consumed by the company;
 - Reported by both location and market based emissions factors (see footnote to Table 1)
 - Total annual emissions are reported using the location based approach
- Indirect GHG emissions (Scope 3): GHG emissions that occur as a consequence of the activities of the company but from sources that are not owned or controlled by the company;
- Indirect GHG one-time emissions (Scope 3 one-time): GHG emissions that occur as a consequence of major construction activities undertaken by contractors on behalf of Meridian.

Scope 3 reporting

Under both ISO 14064-1 and the GHG Protocol, reporting of Scope 3 emissions is optional.

Meridian has elected to report some relevant Scope 3 emissions, particularly those relating to corporate travel (where we have reduction plans and targets, which form the basis of our staff engagement and understanding of GHG reduction initiatives, and can make meaningful comparisons with others) and the construction emissions (an area of stakeholder interest in project emissions and where we can exert some control over the purchase of goods and services).

Meridian has determined which emissions sources are relevant using criteria that have been developed to provide consistency and alignment with Meridian's wider sustainable development objectives. These criteria are that an emissions source is considered relevant if it is:

- relevant to Meridian's operations;

-
- large in relation to Meridian's Scope 1 and Scope 2 emissions;
 - critical to key stakeholders; or
 - under Meridian's control; or
 - able to be significantly reduced through actions undertaken or influenced by Meridian.

Meridian has also included in its Scope 3 emissions any emissions associated with contractors co-located in Meridian office buildings (including IT and Telecommunications support staff, and casual employees), which are reported in power consumption and waste figures in the Meridian New Zealand inventory.

Meridian has chosen not to report on Scope 3 emissions from electricity purchased and on sold to customers, although these emissions are included and offset for Meridian Australia in their application under the National Carbon Offset Standard (NCOS), as this emissions source is not under Meridian's control. This approach will also allow for greater consistency in our emissions inventory each year, irrespective of changes to contract terms or hydrology.

Meridian seeks to work with its other suppliers, contractors, and other value-chain partners to identify opportunities to measure, manage and report additional significant emissions sources. This process is driven in part by Meridian's procurement process. Where these additional significant emissions sources can be measured reliably, and where Meridian can influence the emissions through working with its value-chain partners, they will be included in future emissions reporting.

7.1 Information Management and Monitoring Procedures

GHG Measurement and Management Guidelines were developed and approved 30 June 2009 and revised in January 2013 and June 2015. These documented measurement and reporting requirements for individual facilities and the group with the objective of understanding, transparently disclosing and reducing the emission intensity of operations.

Meridian has, for each facility, developed and maintained GHG information management procedures that ensure conformance with the principles of ISO 14064-1 and the GHG Protocol, ensure consistency with the intended use of the GHG inventory, provide routine and consistent checks to ensure completeness and accuracy, identify and address errors and omissions and manage and store documentation in a safe and accessible manner.

The key GHG information management procedures are as follows:

- Source data is collected directly from third party suppliers or from the Meridian financial system;
- The data is stored in the SoFi software database and reviewed by the GHG accounting team;
- Emissions factors and conversion factors in SoFi are maintained by thinkstep (formerly PE Australasia);
- The GHG inventory is compiled using activity data and emission factors;
- The report is independently audited by Deloitte;
- The report is reviewed to identify opportunities to reduce emissions and improve the information management process; and
- Senior management are informed of emissions management progress.

8 Summary of Emission Source Inclusions

SO 14064-1, 7.3.1 (I)

The emissions sources included in the GHG emissions inventory, and details in regards to data sources and uncertainties can be found in the following table.

Scope	Category	GHG emissions source	Facilities included	Data source	Data collection unit	Methodology, data quality, uncertainty (qualitative)
Scope 1	Stationary combustion	Fuel used for electricity generation	Meridian New Zealand and Meridian Australia	No fuel consumed	n/a	There were no emissions from the 12,532 GWh of electricity generated in the reporting period, as the fuel used to generate this electricity was water and wind
	Mobile combustion	Boat travel (Tug and staff transport boat at Lake Manapōuri)	Meridian New Zealand	Fuel storage readings	Real Journeys	Accurate records of litres used
		Car travel (owned, leased, rented)	All facilities	GPS generated odometer readings, fuelcard (2) purchase data, rental provider activity reports, and taxi expenditure data.	Vehicle operators Customfleet – fuelcards Rental suppliers Fraedom Expense Management Smartrak GPS	Actual records from GPS tracked data (owned vehicles) and start/end odometer data (rental vehicles) for distance travelled x average fuel efficiency of vehicle class (small, medium or large). Owned vehicles are calculated from litres of fuel purchased on fuelcards. Driver behaviour and individual engine performance are not taken into account
	Fugitive emissions	Fugitive emissions from SF ₆	Meridian New Zealand, Meridian Australia	Maintenance records	Maintenance staff	Accurate records of storage cylinder weights Records of 'top-ups'

Scope	Category	GHG emissions source	Facilities included	Data source	Data collection unit	Methodology, data quality, uncertainty (qualitative)
		Fugitive emissions from air-conditioning systems	All facilities	Maintenance records	Broadspectrum, maintenance contractors	Accurate record of 'top-ups'
Scope 2	Electricity	Electricity consumed in offices	Meridian Australia and Meridian New Zealand	Records from billing system	Meridian Australia and Meridian New Zealand finance team	Accurate records from the billing system Start and end of year are partially estimated
			Powershop and Flux NZ	Billing system & landlord invoices	Powershop finance team	Accurate records from the billing system Start and end of year are partially estimated Calculated from the invoices
		Electricity consumed in facilities ⁴	Meridian New Zealand	The electricity market reconciled consumption files	Meridian New Zealand finance team	Accurate records of electricity consumed

⁴ Excludes Manapōuri Power Station – see exclusions table

Scope	Category	GHG emissions source	Facilities included	Data source	Data from supplier engagement	Data collection unit	Methodology, data quality, uncertainty (qualitative)
Scope 3	Capital goods	Major construction and plant upgrade materials ⁵	All facilities with relevant activity in reporting period	Project records from manufacturer or design specifications	100%	Project Managers	Records of weights or volumes of major materials used in construction projects
Scope 3	Fuel related emissions (not Scope 1 or 2)	Production & distribution of fuel	All facilities	Fuel invoices	0%	Finance teams	Calculated from amount of fuel purchased (and consumed) using emissions factors derived from LCA studies
Scope 3	Upstream transportation and distribution	Freight of major materials	All facilities with relevant activity in reporting period	Project records	30%	Meridian project managers	Estimates of major materials used Calculated from weight of materials x distance travelled Some information is provided by suppliers
		Contractor fuel (operational maintenance and construction)	All facilities with relevant activity in reporting period	Contractor records	50%	Project managers	Estimates of the amount of fuel used Some information is provided by suppliers
		Contractor fuel for retail meter reading and maintenance	Meridian New Zealand	Supplier estimates of distances Samples of jobs Samples of vehicle types used	100%	Retail Delta Datacol Group Vector AMS Wells ARC	Calculated using a formula of estimated distance x estimated emissions factor <ul style="list-style-type: none"> Contractors estimate distance and the average type of vehicle used The emissions factor is a weighted average of the vehicle types, calculated from emission factors provided by Defra.

⁵ This includes projects from Meridian New Zealand and Meridian Australia.

Scope	Category	GHG emissions source	Facilities included	Data source	Data from supplier engagement	Data collection unit	Methodology, data quality, uncertainty (qualitative)
Scope 3	Waste	Office waste to landfill	Meridian New Zealand	Actual weight of waste bins	100%	Broadspectrum	Waste bins weighed on a monthly basis
Scope 3	Business Travel	Air travel (domestic and international)	All facilities	Purchase records (supplier data, internal purchasing systems)	100%	Meridian New Zealand Procurement team Travel providers Finance teams	Supplier records of flights ticketed (and not cancelled but excludes 'no shows') calculated by our suppliers integrated financial data warehouse and mid-office travel management systems. Outputs are calculated using the distances travelled by sector split into domestic, shorthaul and longhaul and longhaul split by class of travel. Distances are calculated using Great Circle Mapper ⁶
		Car travel (taxis)	All facilities	Purchase records (internal expense management system – Fraedom)	0%	Meridian New Zealand Procurement team	Records of expenditure
		Car travel (private vehicles)	All facilities with relevant activity in the reporting period	Odometer readings	100%	Vehicle operators	Estimated from accurate records of distance travelled x average fuel efficiency of vehicle class (small, medium or large)

⁶ www.gcmap.com

8.1 Other emissions - PFCs

No operations within the Meridian Energy Group use perfluorocarbons (PFCs) therefore no holdings of PFCs are reported and no emissions from these sources are included in this inventory

8.2 Other emissions - CO₂ Emissions from the Combustion of Biomass

ISO 14064-1, 7.3.1 (f) and 7.3.2 (b)

There was no combustion of biomass in the operations of the Meridian New Zealand, Meridian Australia, Flux and Powershop New Zealand facilities during the reporting period.

9 GHG Emissions Source Exclusions

ISO 14064-1, 7.3.1 (h)

The emissions sources below have been identified and excluded from this GHG emissions inventory. These emissions sources are considered not material to stakeholders, not material in the context of the inventory, and/or not technically feasible nor cost effective to be quantified at the present time.

Scope	Category	GHG emissions source	Facilities	Reason for exclusion	Size of exclusion (based on FY11 data, tCO ₂ e)	% of total Scope 1 & 2 estimated inventory
Scope 1	Stationary combustion	Back-up generators	All facilities with relevant activity in reporting period	Estimated to be <i>de minimis</i>	94	2.4%
	Fugitive emissions	Fugitive emissions from fridges and vehicle AC systems	All facilities	Difficult to obtain the data, estimated to be <i>de minimis</i>	17	.4%
Scope 2	Electricity consumed at facilities	Electricity consumed at Manapōuri power station	Meridian New Zealand	Estimated to be <i>de minimis</i>	163	4.2%
		Electricity consumed at Australian power stations	Meridian Australia	Estimated to be <i>de minimis</i>	24	0.6%
Total Scope 1 & 2					298	7.7%

Scope 3	Category	GHG emissions source	Facilities	Reason for exclusion
Scope 3	Upstream transportation and distribution	Freight - courier packages and minor materials	All facilities	Difficult to obtain the data, estimated to be <i>de minimis</i>
		Contractor fuel for retail meter reading and maintenance	Meridian Australia and Powershop NZ	
Scope 3	Waste	Office waste to landfill	All facilities other than Meridian New Zealand	Difficult to obtain the data, estimated to be <i>de minimis</i>
		All other sources of waste	All facilities	Difficult to obtain the data, estimated to be <i>de minimis</i>
Scope 3	Business travel	Hotel accommodation	All facilities	Difficult to obtain the data, estimated to be <i>de minimis</i>
Scope 3	Upstream leased assets	Upstream leased assets	All facilities	Consolidation approach is operational control, so all upstream leased assets are included in Scope 1 and 2

10 Data collection, quantification and uncertainties

ISO 14064-1, 7.3.1 (m,n)

Section 8 provides an overview of how data was collected for each GHG emissions source, the source of the data, and any uncertainties or assumptions made. Collection of information was centralised in the finance teams of each facility, however much of the information is sourced from the procurement team, project teams, suppliers and relevant individuals throughout the business.

All data was calculated using SoFi 6.11.5. This software uses a calculation methodology for quantifying the GHG emissions inventory using emissions source activity data multiplied by GHG emissions factors.

Except as stated, emission factors used were sourced from Ministry for the Environment (MfE, New Zealand)⁷ or Department of Environment, Food and Rural Affairs (Defra, United Kingdom)⁸. These are expressed in terms of total tonnes of carbon dioxide equivalent. As such, all calculations in this report are expressed in total tonnes of carbon dioxide equivalent.

- Emission factors applied to electricity consumption in New Zealand are taken from the Ministry for the Environment prior to financial year 15/16. From financial year 16/17 onwards the, equivalent electricity consumption emission factors have been calculated from Ministry of Business, Innovation and Employment (MBIE)⁹ data. The emission source was changed due to more up-to-date data published by MBIE.
- Emissions factors for electricity consumption in Australia have been sourced from NGA released by the Australian Government (Department of the Environment and Energy), July 2017¹⁰
- The emission factor applied to SF₆ leakage is sourced from the IPCC AR4¹¹.
- The emissions factor used for International Long Haul is a weighted average of the differing classes of travel taken, calculated by Meridian from emission factors provided by Defra.

11 Impact of Uncertainty

ISO 14064-1, 7.3.1 (o) and 7.3.2 (h)

There is some level of uncertainty associated with preparing a GHG inventory. To minimise this uncertainty source data has been selected from a verifiable source and any further uncertainty is detailed under sections 8, 9 & 10 and above. Where uncertainty exists in the data, a conservative estimation approach has been taken leading to over, rather than understating of emissions.

12 The Base Year Selected

ISO 14064-1, 7.3.1 (j)

The base year is 1 July 2011 to 30 June 2012.

⁷ Ministry for the Environment. Guidance for Voluntary Greenhouse Gas Reporting – 2016: Using Data and Methods from the 2014 Calendar Year. Wellington. <http://www.mfe.govt.nz/publications/climate-change/guidance-voluntary-greenhouse-gas-reporting-2016-data-and-methods-2014>.

⁸ Department for Business, Energy & Industrial Strategy. UK Government GHG Conversion Factors for Company Reporting. 2017. London. <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017>.

⁹ Ministry of Business, Innovation & Employment. Greenhouse gas emissions Quarterly electricity and liquid fuel emissions data tables. Wellington. 2018. <http://www.mbie.govt.nz/info-services/sectors-industries/energy/energy-data-modelling/statistics/greenhouse-gas-emissions>.

¹⁰ Department of the Environment and Energy. 2017: National Greenhouse Accounting Factors. Australian National Greenhouse Accounts. Canberra. <http://www.environment.gov.au/climate-change/climate-science-data/greenhouse-gas-measurement/publications/national-greenhouse-accounts-factors-july-2017>.

¹¹ The emission factor has been sourced from the IPCC Second Assessment Report IPCC (2007) AR4 WG1 Chapter2 Table 2.14 http://www.ipcc.ch/publications_and_data/ar4/wg1/en/ch2s2-10-2.html

13 Changes to Historic Base Year

ISO 14064-1, 7.3.1 (k)

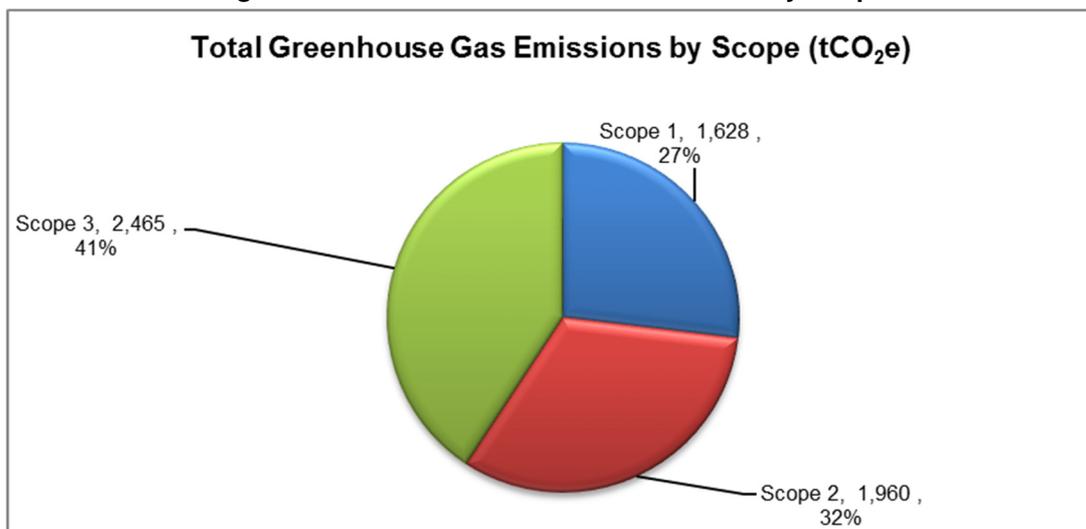
No change has occurred to the base year selected this year. Any comparative statements in this report to previous inventory reporting periods are in discussion of specific emissions sources that have not changed in their calculation methodology.

14 GHG Emissions Calculations and Results

14.1 Total emissions by scope

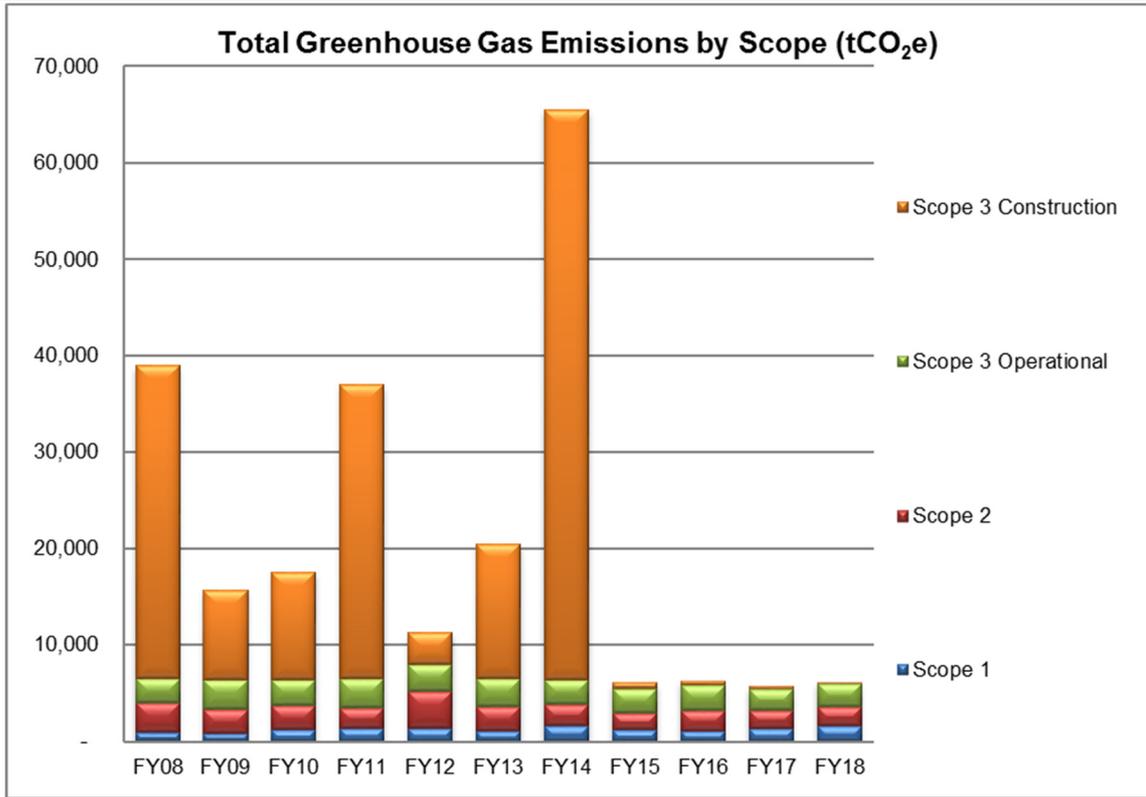
Total GHG emissions for Meridian Group were 6,053 tCO₂e for the reporting period, shown by scope in the following graph.

Figure 2: Total Greenhouse Gas Emissions by Scope



While the generation of electricity is Meridian New Zealand's core business, there are no Scope 1 emissions from the generation of electricity as fuel sources are wind and water. The majority of Scope 3 emissions are from business travel. The next most significant emissions sources is electricity consumption in our offices and power stations.

Figure 3: Total Greenhouse Gas Emissions by Scope - Annual Comparison

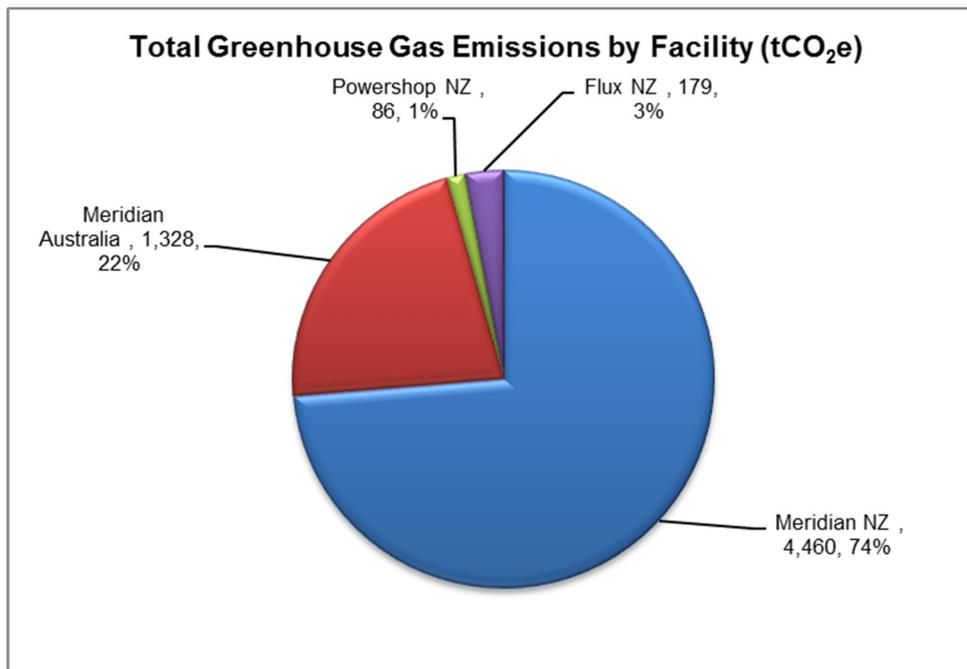


14.2 Total emissions by facility

The following graphs show the total GHG emissions (tCO₂e) by facility in the reporting period.

The majority of emissions are from the Meridian New Zealand facility and related to business travel and construction.

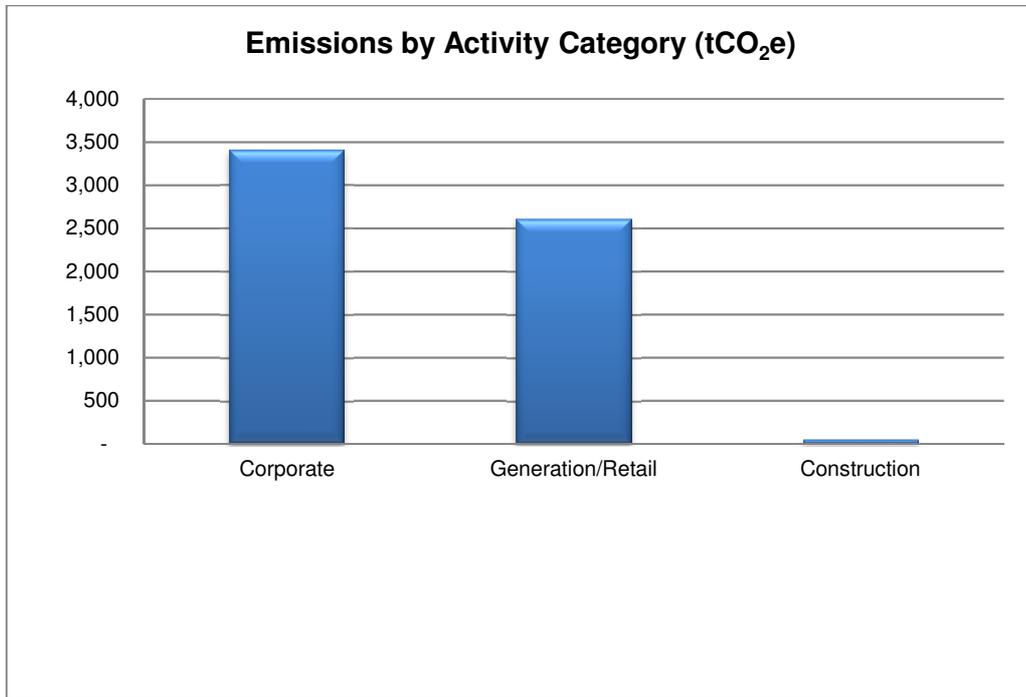
Figure 4 Total Greenhouse Gas Emissions by Facility



14.3 Total emissions by business activity category

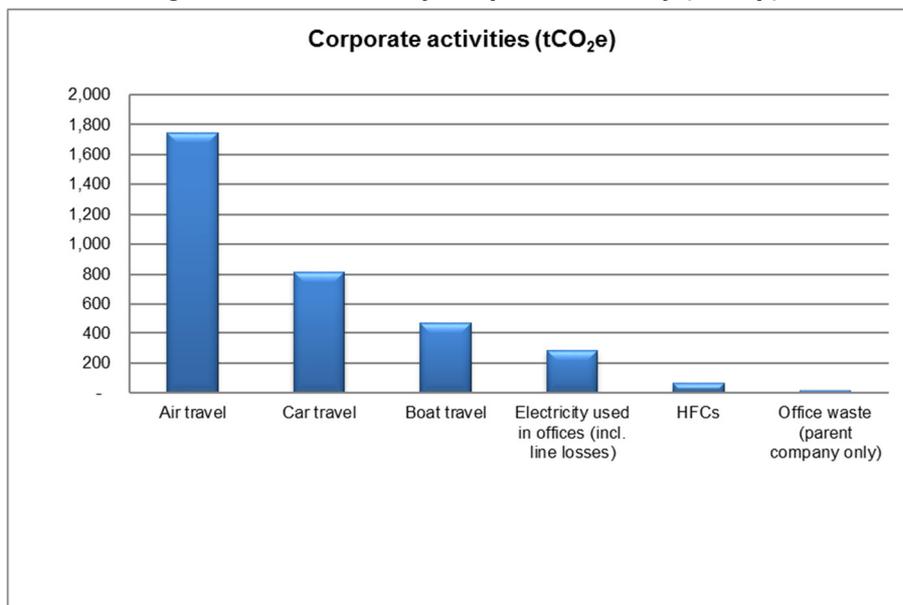
The majority of emissions this year result from corporate emissions.

Figure 5: Emissions by Activity Category



Corporate emissions are primarily from business travel.

Figure 6: Emissions by Corporate Activity (Group)



15 GHG Removals and Reductions

ISO 14064-1, 7.3.1 (g) and 7.3.2 (c & d)

15.1 Removals

A greenhouse gas removal is defined by ISO 14064-1 as the “total mass of a greenhouse gas removed from the atmosphere over a specified period of time”. There are no removals quantified for this reporting period.

15.2 Emission Reductions / Increases

This year total Group emissions are 6,053 tCO_{2e}, a 61% decrease on base year and a 6% increase on FY17. This year’s increase across the Group is attributable to business travel. The following table shows a high level comparison of total emissions for each facility from the base year FY12 to the current year.

Total emissions by facility	2011/12 tCO _{2e}	2012/13 tCO _{2e}	2013/14 tCO _{2e}	2014/15 tCO _{2e}	2015/16 tCO _{2e}	2016/17 tCO _{2e}	2017/18 tCO _{2e}	% change base year	% change last year	tCO _{2e} change base year
Meridian NZ	10,391	7,720	30,749	5,350	4,886	4,450	4,460	-57%	0%	-5,931
Meridian Australia	5,136	13,589	34,471	376	953	1,023	1,328	-74%	30%	-3,808
Powershop NZ	101	152	100	173	239	235	86	-15%	-64%	-15
Flux	-	0	0	0	0	0	179	0	0%	179
Group	15,628	21,461	65,320	5,899	6,078	5,708	6,053	-61%	6%	-9,575

16 Liabilities – GHG Stocks Held

GHG holdings	Meridian NZ	Meridian Australia	Powershop NZ	Flux	2017/18 kg	2017/18 tCO _{2e}
HFC gas holdings [kg]	779kg	24kg	60kg	0	863	1,702
SF6 holdings [kg]	1716kg	179kg	0	0	1,895	43,213

Meridian’s Electricity facility has a holding of sulphur hexafluoride (SF₆) gas. The bulk of the gas is held in 220kV circuit breakers and current transformers with small amounts being held in 110kV, 33kV and 22kV switchgear. No SF₆ is known to be held in fire extinguishing systems. Meridian’s current management practices in relation to SF₆ are well aligned with best practice as defined by the Cigré and IEC publications¹². SF₆ is also present in switchgear in Meridian Australia.

For all other facilities liabilities from HFCs from refrigerators have been estimated to be well below the *de minimis* threshold of 1% and their liabilities are not reported here.

¹² SF₆ Recycling Guide Re-Use of SF₆ Gas in Electrical Power Equipment and Final Disposal Cigré Task Force 23.10.01 G Mauthe et al, August 1997

IEC 1634 Technical Report Type 2 ‘High-Voltage Switchgear and Controlgear – Use and Handling of SF₆ in High Voltage Switchgear and Control Gear’, 1995

IEC 480 ‘Guide to the Checking of Sulphur Hexafluoride (SF₆) Taken from Electrical Equipment’, 1976

17 Compliance with ISO 14064-1

ISO 14064-1, 7.3.1 (p)

This GHG inventory report for the year ending 30 June 2018 has been prepared in accordance with ISO 14064-1. A reporting index is provided in Appendix Three.

18 Audit of the GHG Inventory

ISO 14064-1, 7.3.1 (q)

This GHG inventory report has been audited by Deloitte, a third party independent assurance provider. A reasonable level of assurance has been given over the assertions and quantification included in this report. Deloitte is also the financial auditor of Meridian Energy Limited on behalf of the Office of the Auditor General.

19 Description of Additional Indicators

ISO 14064-1, 7.3.2 (i)

No additional indicators have been presented in this GHG inventory.

20 Assessment of Performance against Relevant Benchmarks

ISO 14064-1, 7.3.2 (j)

No assessment of performance against relevant benchmarks is presented in this GHG inventory.

References:

Cigré Task Force, SF₆ Recycling Guide Re-Use of SF₆ Gas in Electrical Power Equipment and Final Disposal' 23.10.01 G Mauthe et al, August 1997

IEC 1634 Technical Report Type 2 'High-Voltage Switchgear and Controlgear – Use and Handling of SF₆ in High Voltage Switchgear and Control Gear', 1995

IEC 480 'Guide to the Checking of Sulphur Hexafluoride (SF₆) Taken from Electrical Equipment', 1976

International Standards Organisation, *ISO 14064-1:2006 (E)*

Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting. Data and methods for the 2007 calendar year, September 2008.

Appendix 1 – Meridian Group treatment of emissions

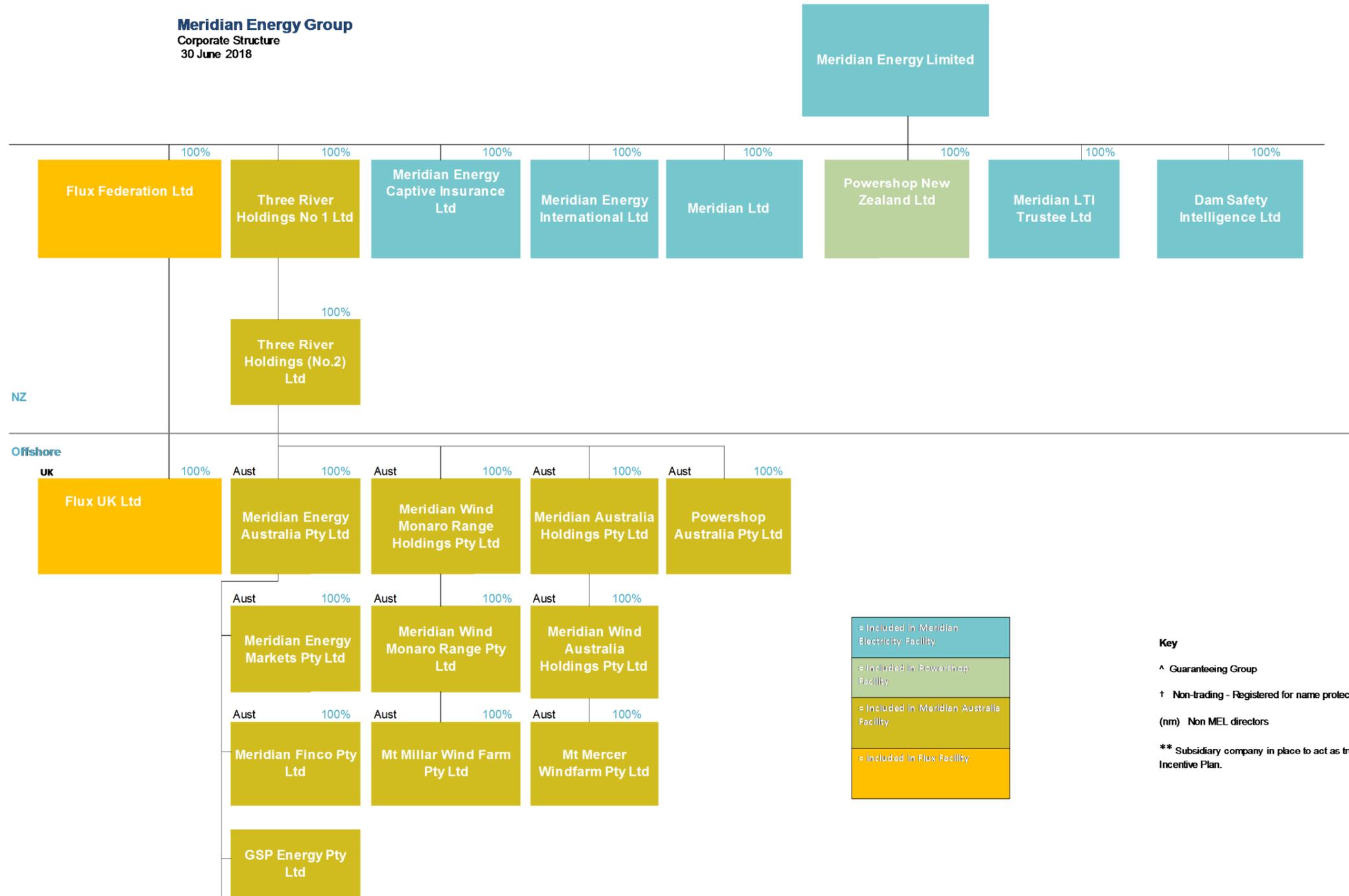
Meridian Energy treatment of emissions from subsidiaries, associates, joint ventures and investments as at 30 June 2018.

Company Name	Emissions source?	Legal structure and partners	Economic interest held by MEL	Country	Operational control	Comment	
Meridian Energy Limited (MEL)	Yes	Parent company	100%	NZ	Yes	Included in Meridian NZ facility.	
Mill Creek Transmission Line	Yes	Finance lease	0%	NZ	Yes	Excluded from the Meridian NZ facility	
Meridian Energy Captive Insurance Limited	No (non-trading entity)	Group companies / subsidiaries	100%	NZ	Yes	No activity, therefore no emissions.	
Meridian LTI Trustee Limited	No (non-trading entity)	Group companies / subsidiaries	100%	NZ	Yes	No activity, therefore no emissions.	
Meridian Energy International Limited	No (non-trading entity)	Group companies / subsidiaries	100%	NZ	Yes	No activity, therefore no emissions.	
Meridian Limited	No (non-trading entity)	Group companies / subsidiaries	100%	NZ	No	No activity, therefore no emissions.	
Dam Safety Intelligence Limited	Yes	Group companies / subsidiaries	100%	NZ	Yes	Included in Meridian NZ facility.	
Three River Holdings (No 1) Limited	No (holding company)	Group companies / subsidiaries	100%	NZ	Yes	No activity, therefore no emissions.	
Three River Holdings (No 2) Limited	No (holding company)	Group companies / subsidiaries	100%	via Three River Holdings (No 1) Ltd	NZ	Yes	No activity, therefore no emissions.
Meridian Energy Australia Pty Ltd	Yes	Group companies / subsidiaries	100%	via Three River Holdings (No 2) Ltd	AUS	Yes	Included in Meridian Australia facility.
Meridian Finco Pty Ltd	No (non-trading entity)	Group companies / subsidiaries	100%	via Meridian Energy Australia Pty Ltd	AUS	Yes	No activity, therefore no emissions.
Meridian Australia Holdings Pty Limited	No (holding company)	Group companies / subsidiaries	100%	via Three River Holdings (No 2) Ltd	AUS	Yes	No activity, therefore no emissions.
Meridian Wind Australia Holdings Pty Ltd	No (holding company)	Group companies / subsidiaries	100%	via Meridian Australia Holdings Pty Ltd	AUS	Yes	No activity, therefore no emissions.
Meridian Energy Markets Pty Ltd	No (holding company)	Group companies / subsidiaries	100%	via Meridian Energy Australia Pty Ltd	AUS	Yes	No activity, therefore no emissions (holds our trading licences)
Mt Mercer Windfarm Pty Limited	Yes	Group companies / subsidiaries	100%	via Meridian Wind Australia Holdings Pty Ltd	AUS	Yes	Included in Meridian Australia facility (Mt Mercer wind farm)
Meridian Wind Monaro Range Holdings Pty Limited	No (holding company)	Group companies / subsidiaries	100%	via Three River Holdings (No 2) Ltd	AUS	Yes	No activity, therefore no emissions.
Meridian Wind Monaro Range Pty Limited	No (non-trading entity)	Group companies / subsidiaries	100%	via Meridian Wind Monaro Range Holdings Pty Limited	AUS	Yes	No activity, therefore no emissions.
Mt Millar Wind Farm Pty Ltd	Yes	Group companies / subsidiaries	100%	via Meridian Wind Monaro Range Pty Limited	AUS	Yes	Included in Meridian Australia facility
GSP Energy Pty Ltd	Yes	Group companies / subsidiaries	100%	via Meridian Energy Australia Pty Ltd	AUS	Yes	Subsidiary purchased April 2018, therefore excluded.
Mt Mercer Transmission Line	Yes	Finance lease	0%	AUS	Yes	Excluded from the Meridian Australia facility	
Powershop Australia Pty Ltd	Yes	Group companies / subsidiaries	100%	via Three River Holdings (No 2) Ltd	AUS	Yes	Included in Meridian Australia facility
Powershop New Zealand Limited	Yes	Group companies / subsidiaries	100%		NZ	Yes	Included in Powershop NZ facility.
Flux Federation Limited	Yes	Group companies / subsidiaries	100%		NZ	Yes	Included in Flux NZ facility.
Flux UK Limited	No	Group companies / subsidiaries	100%	via Flux Federation Ltd	UK	Yes	No activity, therefore no emissions.

Appendix 2 – Meridian Energy Group Structure



Meridian Energy Group
Corporate Structure
30 June 2018



- Included in Meridian Electricity Facility
- Included in Powershop Facility
- Included in Meridian Australia Facility
- Included in Flux Facility

Key

- ^ Guaranteeing Group
- † Non-trading - Registered for name protection purposes
- (nm) Non MEL directors
- ** Subsidiary company in place to act as trustee for the Long Term Incentive Plan.

Alternate Directors:

Three River Holdings No. 1:
Jason Stein for Neal Barclay
Kelvin Mason for Paul Chambers

Three River Holdings No. 2:
Jason Stein for Neal Barclay
Kelvin Mason for Paul Chambers

Meridian Energy Captive Insurance:
Jason Stein for Paul Chambers

Meridian Energy International:
Jason Stein for Paul Chambers

Meridian Limited:
Jason Stein for Paul Chambers

Powershop NZ Limited:
Gillian Blythe for Paul Chambers

Flux Federation NZ Limited:
Gillian Blythe for Paul Chambers

Appendix 3 – ISO 14064-1 Reporting Index

ISO 14064-1 Reporting Index

ISO Reporting	Section in this report	ISO Reporting	Section in this report
7.3.1 (a)	Section 3	7.3.1 (j)	Section 12
7.3.1 (b)	Section 4	7.3.1 (k)	Section 13
7.3.1 (c)	Section 5	7.3.1 (l)	Section 8
7.3.1 (d)	Section 6	7.3.1 (m)	Section 10
7.3.1 (e)	Table 4	7.3.1 (n)	Section 10
7.3.1 (f)	Section 8	7.3.1 (o)	Section 11
7.3.1 (g)	Section 15	7.3.1 (p)	Section 17
7.3.1 (h)	Section 9	7.3.1 (q)	Section 18
7.3.1 (i)	Table 1		
7.3.2 (a)	Section 3	7.3.2 (h)	Section 11
7.3.2 (b)	Section 8	7.3.2 (i)	Section 19
7.3.2 (c)	Section 15	7.3.2 (j)	Section 20
7.3.2 (d)	Section 15	7.3.2 (k)	Section 7
7.3.2 (e)	not applicable		
7.3.2 (g)	Table 1		
4.2	Section 7		



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF MERIDIAN ENERGY LIMITED

Report on Greenhouse Gas Emissions Inventory Report

We have undertaken a reasonable assurance engagement relating to the Greenhouse Gas Emissions Inventory Report (the 'Inventory Report') of Meridian Energy Limited and its subsidiaries (the 'Meridian Energy Group') for the year ended 30 June 2018, comprising the Emissions Inventory and the explanatory notes set out on pages 1 to 29.

The Inventory Report provides information about the greenhouse gas emissions of the Meridian Energy Group for the year ended 30 June 2018 and is based on historical information. This information is stated in accordance with the requirements of International Standard ISO 14064-1 Greenhouse gases – Part 1: *Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals* ('ISO 14064-1:2006') and the Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (2004)* ('the GHG Protocol').

Board of Directors' Responsibility

The Board of Directors are responsible for the preparation of the Inventory Report, in accordance with ISO 14064-1:2006 and the GHG Protocol. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of an Inventory Report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express an opinion on the Inventory Report based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* ('ISAE (NZ) 3410'), issued by the New Zealand Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Inventory Report is free from material misstatement.

We did not evaluate the security and controls over the electronic publication of the Inventory Report.

A reasonable assurance engagement undertaken in accordance with ISAE (NZ) 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the Inventory Report. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Inventory Report. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Inventory Report. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of the Meridian Energy Group's use of ISO 14064-1:2006 and the GHG Protocol as the basis for preparing the Inventory Report;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by the Meridian Energy Group; and
- Evaluating the overall presentation of the Inventory Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent Limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



In addition to our capacity as auditor for the purposes of this engagement, our firm carries out other assurance assignments for the Meridian Energy Group in the areas of statutory audit of financial statements on behalf of the Auditor-General, sustainability reporting, review of the interim financial statements, audit of the securities registers, vesting of the executive long-term incentive plan, the solvency return of Meridian Captive Insurance Limited (a subsidiary in the Meridian Energy Group) and supervisor reporting, which are compatible with those independence requirements.

In addition, principals and employees of our firm deal with the Meridian Energy Group on arm's length terms within the ordinary course of trading activities of the Meridian Energy Group. These services have not impaired our independence for the purposes of this engagement. Other than these engagements and arm's length transactions, we have no relationship with, or interests in, the Meridian Energy Group.

The firm applies Professional and Ethical Standard 3 (Amended): *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* issued by the New Zealand Auditing and Assurance Standards Board, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use of Report

Our assurance report is made solely to the directors of Meridian Energy Limited in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the directors those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors of Meridian Energy Limited for our work, for this assurance report, or for the conclusions we have reached.

Opinion

In our opinion, the Inventory Report of the Meridian Energy Group for the year ended 30 June 2018 has been prepared, in all material respects, in accordance with the requirements of ISO 14064-1:2006 and the GHG Protocol.

A handwritten signature in cursive script that reads "Deloitte Limited".

Auckland, New Zealand
21 August 2018