



Voluntary Carbon Market Opportunities - Meridian's Experiences

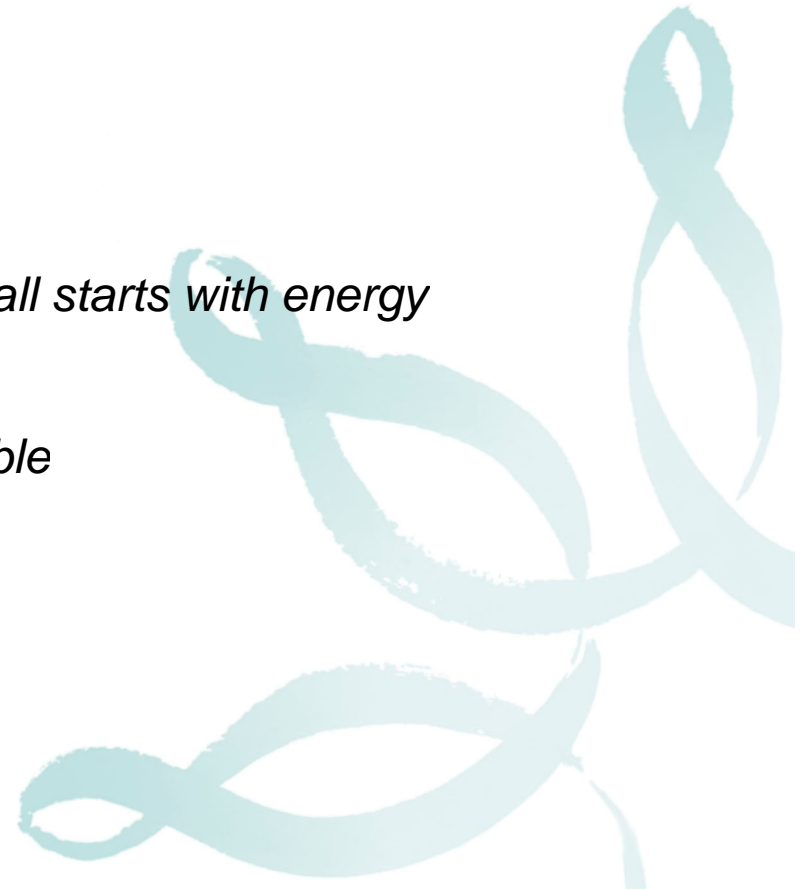
1 August 2008

Presented by:
Tim Fraser



The Big Picture – Sustainability is Fundamental to the Way Meridian Does Business

- *Meridian considers the long-term (>100 year) social, economic and environmental impacts of its business on our communities, our country and our planet*
- *We are in it for the long game*
- *If you think about any part of sustainability – it all starts with energy*
- *Being Carbon Neutral is part of being sustainable*



Carbon Neutrality

Becoming carbon neutral – one step along the pathway to meeting our long-term sustainability objectives

In April 2006 Meridian committed to becoming a carbon neutral company over time

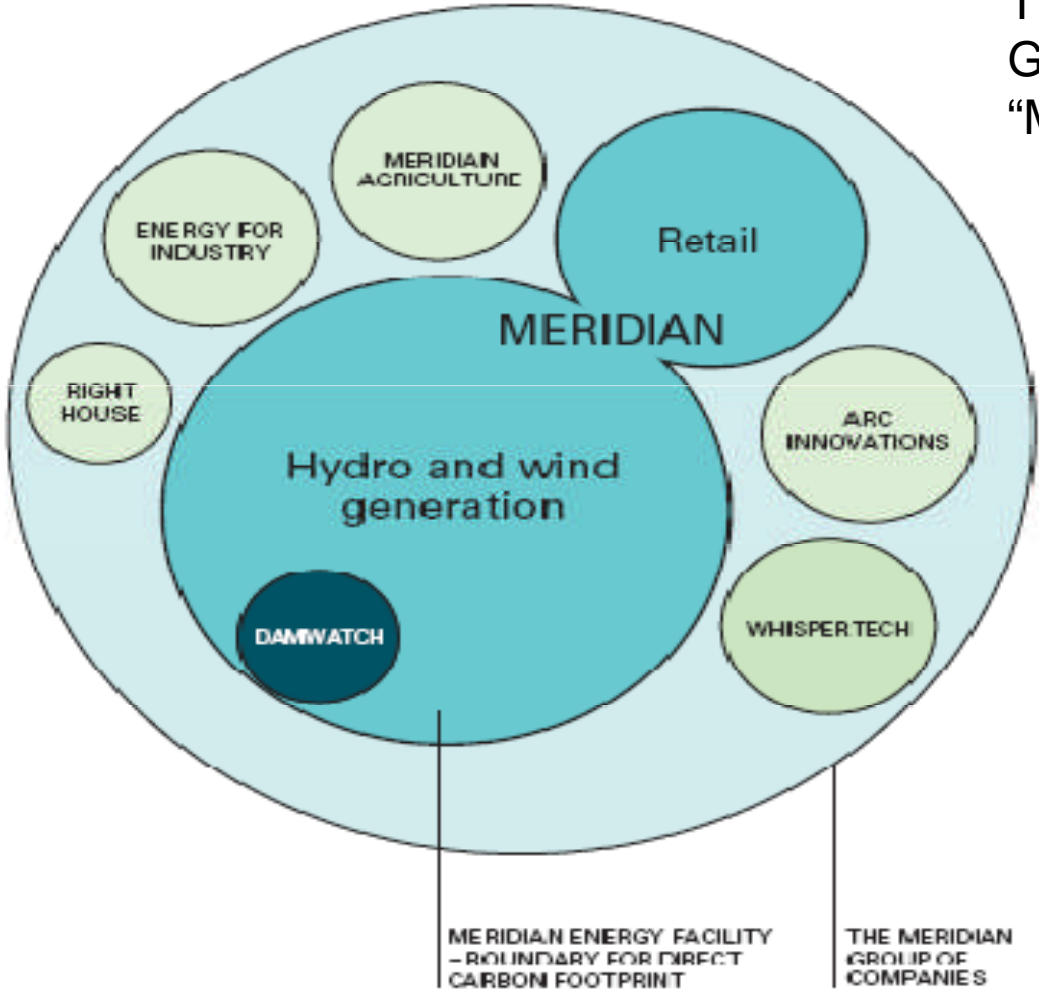
On 26 February 2007 Meridian's electricity achieved carboNZero certification of our electricity and supporting generation, retail and corporate activities

Now working towards achieving certification for some other parts of our business



Carbon Neutrality as a Long-Term Strategy – Biting it Off in Chunks

Meridian Energy Group



The boundary for Meridian's GHG inventory is currently the "Meridian Energy Facility"



Certified Carbon Neutral Electricity



This is to certify that

Meridian Energy Limited in respect of its Meridian Energy Facility

Meets the requirements of carboNZero^{Cert}™ certification having measured and reduced its greenhouse gas emissions and neutralised the remaining unavoidable emissions in respect of all the electricity supplied to customers of the Meridian Energy Facility and the renewable generation, corporate and retail activities related to this product.

Certificate number: 2008026
Number of carbon credits purchased: 5416
Carbon credit serial numbers retired: PREVER-TARARUA-06-0000000001
to PREVER-TARARUA-06-0000005416
Date issued: 30 June 2008
Inventory period: 01/07/2006 to 31/06/2007
Valid until: 30 September 2008

Certified by:



Landcare Research
Manaaki Whenua

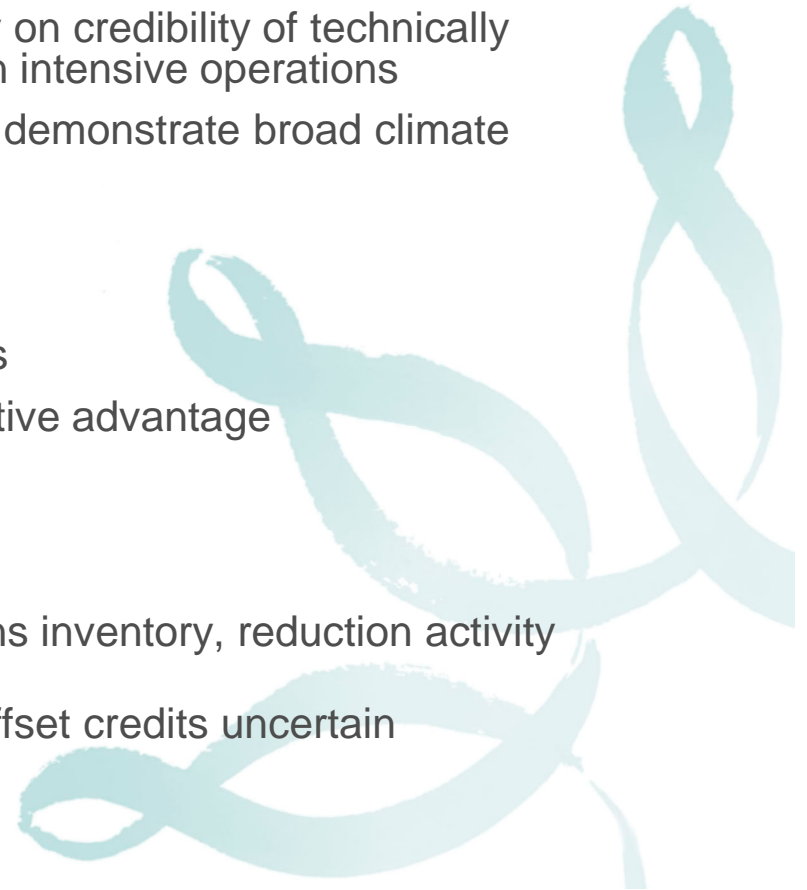
carboNZero^{Cert}™
Certificate issued subject to conditions overleaf

The Pathway to Carbon Neutrality - Learnings From Our Experiences

- Behavioural change, energy and commitment are required – the goal posts keep shifting and for credibility you need to keep up or ahead
- Clear mandate from senior management essential
- Critics hone in on boundaries set and choice of offsets, extent to which neutrality relies on offsetting rather than reductions
- Huge emphasis on reductions – and more recently on credibility of technically achieving carbon neutrality for essentially emission intensive operations
- Expectation that claimants to carbon neutrality will demonstrate broad climate change leadership

If you're thinking about certification

- Have a clear understanding “why” you’re doing this
 - Eg customer or stakeholder demand, competitive advantage
- It’s a long term commitment
 - Strategic fit
 - Maintenance eg annual assessment, emissions inventory, reduction activity and offset purchase
 - Risks = price of carbon unknown, access to offset credits uncertain

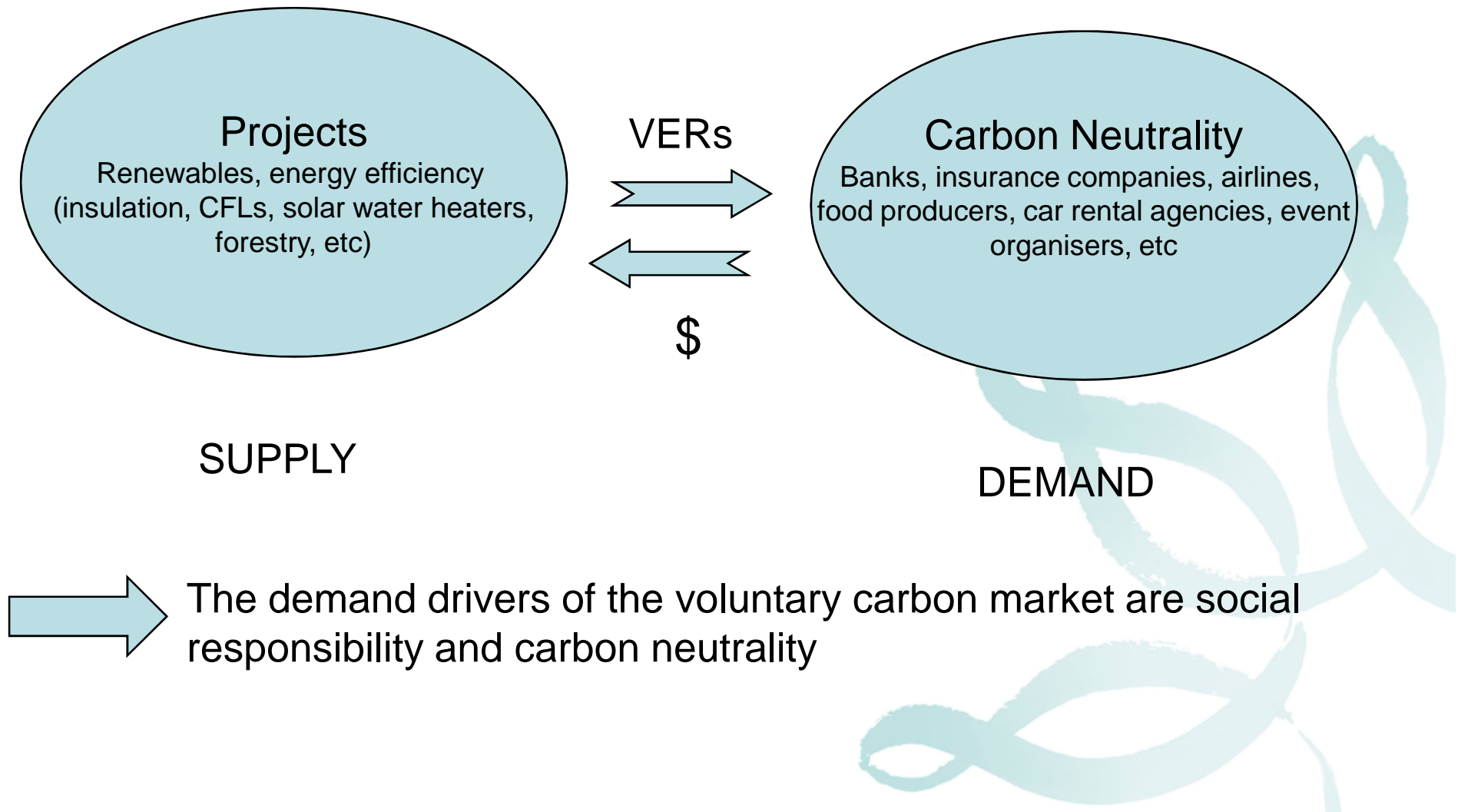


Carbon Credit Sales

- Te Apiti Wind Farm:
 - First Project to be allocated Kyoto units by the New Zealand Government
 - First JI Project in New Zealand
 - First Gold Standard registered Wind Project
 - Source of First Gold Standard VERs (2004-7)
 - Source of first VERs sold on TradeMe
 - Source of first VERs transferred through Regi and Gold Standard registry
 - VERs sold to more than 30 different buyers domestically and internationally
- Gold Standard VERs for sale from Project White Hill also.
- Nelson Landfill Gas Project – pre-PRE VERs available



Carbon Neutrality and the Voluntary Carbon Market – What's the Link?



Revving up the Voluntary Market - Potential Barriers to the Development of the Voluntary Market In New Zealand

- Existing standards (eg, VCS, Gold) do not allow for the creation of VERs in a country with a Kyoto obligation

