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Submission Draft Greenhouse Gas Assessment Guide for Large Emitters

Introduction

Wollar Progress Association (the Association) welcomes the opportunity to provide comment on the Draft Greenhouse Gas Assessment Guide for Large Emitters (the Guide). Our community is under threat from both the proposed expansion of coal mining in our region and the impacts of extreme weather events fuelled by a rapidly heating climate.

We applaud the introduction of the NSW *Climate Change (Net Zero Future) Act 2023* and consider the process of establishing the Guide as an integral step towards limiting global greenhouse gas emissions.

Our district contains the three largest coal producing mines in NSW in 2023 and all three are proposing expansions. It is essential that the required assessment and reporting of emissions from the Glencore Ulan coal mine, Yancoal Moolarben coal mine and Peabody Wilpinjong coal mine include full assessment and reporting of all forms of emissions and their economic, social and environmental impacts on society.

The Wollar community has been severely affected by extreme weather during various recent events including the Section 44 White Cedars fire in 2017 that threatened the village, local property threats from the 2019 Meads Creek West fire, loss of public road access through the 2022 floods including a washed out causeway on Wollar Creek that stranded local residents and still has not been permanently replaced, and severely damaged road surfaces increasing risk of accident and vehicle damage.

The Association considers it imperative that the Guide is strengthened to consider all costs associated with climate change impacts. Fossil fuel projects should not have an extended life in NSW, if there is any hope of limiting global temperature increase to a level that will maintain food and water security, health and a sustainable future.

Strengthening the Guide

The Association submits the following key elements in the Guide to ensure a high standard of greenhouse gas emission assessment:

1. Specific guidelines for the fossil fuel industry

The Guide must contain a specific higher standard for fossil fuel project greenhouse gas emissions assessment because they are the largest emitters in NSW. Other industries need to decarbonise over time. Whereas the fossil fuel industry, being the largest single source of emissions, must have very strong standards to inform decision-makers.

The coal and gas industries must be phased out if global and NSW targets to reduce emissions are to be met and if global warming is to be limited to a survivable level.

2. Offsets must be prohibited for coal and gas projects

Carbon credits have a documented risk of integrity and a lack of equivalency to fossil fuel emissions. This loophole threatens any benefits of the Guide. There should be no provision for coal and gas projects to put forward carbon offsets as a method of gaining approval.

The use of carbon credit offsets for fossil fuel projects should be prohibited in the Guide.

3. Clear standards set by guiding principles

To ensure that rights to a clean, healthy environment are met, the Guide should require assessment against the following principles:

- All of the *Climate Change (Net Zero Future) Act 2023* guiding principles
- The six substantive elements and three procedural elements to the right as recognized by the UN General Assembly, and identified by the Special Rapporteur on human rights and the environment
- Other relevant components of the 16 Framework Principles on Human Rights and the Environment, particularly the rights of Indigenous People
- Directions on how other Guiding Principles must be considered

4. Improved economic assessment

The Guide must require coal and gas proponents to fully assess the cost of carbon of their projects. This assessment must be against both:

- the Australian Energy Regulator Guidance for Valuing Emissions Reduction and
- the NSW Government Guide to Cost-Benefit Analysis by NSW Treasury 2022

The cost of recent extreme weather events on the NSW economy has been significant. For example the \$3 billion of flood damage to regional roads in 2022 alone far outweighs any annual royalties and other 'public benefits' of the coal and gas industry. Not to mention the damage from recent intense bushfires and loss of homes and lives through various extreme weather events.

Fossil fuel producers should be required to assess the economic impact on other sectors in the NSW economy of the emissions they will produce, and hence the economic burden that will fall on other sectors to reduce their emissions more quickly, if targets are indeed to be met.

Extreme weather events are also a risk to the coal and gas projects themselves and to the infrastructure in the coal transport chain.

Extreme hot weather in December 2023 buckled the Sandy Hollow rail line, the key transport link from the three large Mudgee Region coal mines to the Port of Newcastle. This caused a train derailment and bushfire in the adjacent Wollemi National Park. Significant volunteer and NPWS fire fighting resources were expended to manage the fire. The buckled line is still being repaired in other places causing disruption to coal transport and resulting in large stockpiles on the mine sites. Recent flood events and increasing storm and lightning activity has also caused disruptions to mining operations in the region.

These ongoing risks to production raise the question of the validity of the 'public benefit' economic assessments conducted for these projects and for proposed expansions and extension of operating activities into the 2040's and 50's. These projects are likely to become stranded assets.

The Guide is an opportunity to consider all these likely future scenarios, if climate change targets are not fully met.

5. Assessment of downstream impacts must be mandatory

It is essential that the Guide require scope 3 emissions to be assessed for environmental, social and environmental impacts.

Fossil fuel projects are already required to consider downstream emissions, as per the Resources and Energy SEPP 2021 (s2.20) but have to date failed to actually assess the environmental impacts of those emissions. It is not enough to 'consider' the impacts of scope 3 emissions. There must be a requirement under the Guide, within the specific guidelines for fossil fuel projects, to fully assess the downstream impacts of scope 3 emissions.

6. Direct measurement of methane emissions

The Guide must include specific detail about the direct measurement of methane emissions from coal and gas projects. It should also specify that methane emissions need to be estimated using a 20-year Global Warming Potential, to enable proper assessment against short-term climate targets for 2030 and 2035. This is necessary because methane is 84 times more warming than carbon dioxide over 20 years.

Conclusion

The achievement of the objectives of the *Climate Change (Net Zero Future) Act 2023* requires a strengthened Guideline so that assessment of greenhouse gas emissions in NSW is rigorous, based on clear science and provides clear direction to decision-makers.

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