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To NSW Environment Protection Authority Greenhouse Gas Mitigation Guide for NSW Coal Mines Submission

Climate Change Balmain-Rozelle (CCBR) is an independent community group in inner west Sydney with around 1000 supporters. We campaign to promote local and national action to reduce fossil fuel use, increase the adoption of renewable energy, and head off catastrophic global warming.

We are making one submission on the three draft policy documents currently on exhibition:

- Climate Change Licensee Requirements
- Climate Change Mitigation and Adaptation Plans (CCMAP)
- Greenhouse Gas Mitigation Guide for NSW Coal Mines.

Overview

We are highly concerned about the inadequacy of these documents, especially the Greenhouse Gas (GHG) Mitigation Guidelines.

Without very strong action on this most dangerous GHG polluting sector, not only will NSW not be able to reach its Net Zero targets, legislated with fanfare with agreement of most parties in the NSW Parliament in 2023, but the citizens of NSW, Australia, the Pacific Islands and beyond will be right to claim extreme disappointment that NSW is not taking its emissions reduction seriously across all sectors.

The documents appear not to substantially alter "business as usual" for coal miners.

Currently half of the operating coal mines in the state are applying to expand their footprint, their timeline, or both. Seven mine expansions have already been approved since the end of 2023. Expecting a different result if we continue to behave in the same way is madness. These measures must be made stronger and timelines must be brought forward.

Key points

- We have run out of time to be patient with polluters
- Exemptions mean that miners can avoid compliance
- Guide misses key opportunities to reduce methane emissions, timeline is too slow
- Guide does not adequately address use of diesel or coal-powered electricity
- Guide does not address Scope 3 emissions

A further explanation of these points follows, along with a summary of recommendations.

We have run out of time to be patient with polluters

An expert panel told the EPA that “...the panel's view is that it will be hard for the EPA to ensure mines actually reduce emissions in the absence of emission limits.”

Yet the proposed Climate Change Licensee Requirements says that the EPA will not in the short term use Environment Protection Licences to impose limits on GHG emissions, suggesting this is a "long-term action".

A bank of emissions is already in the atmosphere causing the greenhouse effect and now extreme weather events. Emissions reduced today are worth more than emissions reduced in the future because they do not add to that bank. The EPA, if it is serious about reducing our contribution to global heating, cannot just think about this measure later.

Further, offsets do not reduce emissions from coal mining. Coal miners must deliver changed practice in their own operations if they are to be considered part of the solution rather than the major problem they are.

Firm licensee requirements, backed up by monitoring, enforcement and cancellations of licences are the EPA's strongest opportunity to achieve this.

Generally the documents, both Licensee Requirements and Guide, show a very disappointing lack of urgency.

Recommendations

- Withhold Environment Protection Licences from companies that fail to comply with emissions reduction requirements.
- Do not accept offsets as "emissions reductions".

Exemptions mean that miners can avoid compliance

The guide allows a mining company to ask for an exemption from a mitigation measure if it considers that measure - for example methane abatement by VAM - is “not feasible to implement”.

It seems likely that "not feasible to implement" means that it is **inconvenient or expensive** to comply with requirements before 2030, or indeed at all. But things are already **inconvenient** for those suffering the effects of climate change: for example those affected by floods, bushfires, and sea level rise. How in all conscience can the EPA ignore those voices? And it is expensive for NSW citizens to pay for increased insurance premiums and for taxpayers to pay ever increasing emergency response costs.

Climate Change Balmain-Rozelle considers that miners making a profit in NSW, having avoided financial responsibility for the externalities of their businesses for decades, should do all they can to reduce their greenhouse gas emissions, *whatever the cost*. (CCBR also contends that they should pay a Climate Damage Levy, but that is a Federal issue).

If it is "not feasible to implement" a mitigation measure, perhaps it is not feasible that the operation should continue at all. Ignoring this undermines the whole purpose of a Greenhouse Gas Mitigation Guide.

Recommendations

- Remove the proposed exemption for "not feasible to implement" which allows coal miners to avoid requirements
- Set strong penalties for non-compliance with any mitigation measure.

Guide misses key opportunities to reduce methane emissions, timeline is too slow

Overall, we are very disappointed that the proposed Guide does not require coal mines to limit methane emissions to a set level. There is no cap for a facility or for the sector as a whole. Yet we know that not only are coal mines very significant methane emitters, but that fugitive emissions are likely underreported.

The world is at a critical GHG point. Reducing emission of methane, with its highly dangerous impact over the short term, is one of the fastest ways to slow our contribution to global heating. This is an area that NSW could make progress on, but the Guide is neither ambitious nor timely.

The Net Zero Commission is currently studying methane emissions from the sector.

Recommendation

- Work with the Net Zero Commission to determine a coal mining sector emissions target for 2030 and 2035, consistent with our *Net Zero Future 2023 Act* targets.

For high-emitting underground coal mines, the Guide does not introduce any action on ventilation air methane (VAM) **for over 5 years**. The proposal is that the EPA 'may' mandate action, but not until 2030 at earliest, and then only for mines that will operate beyond 2032.

Even then, an exemption clause means a mine can avoid this abatement measure if the EPA accepts that "safety issues" are a problem. (Has the EPA considered the "safety issues" of poor air quality that residents around Hunter Valley mines have been suffering for decades? Limits are regularly exceeded there, with impunity).

For open cut mines, the proposed Guide does not require gas drainage and destruction of methane. EPA's own expert panel on this issue recommended 'adding surface mines to the gas drainage and flaring requirements.

Recommendations

- Detect and impose prohibitive penalties for methane leaks from underground mines, including those in care and maintenance, by 2026.
- Prohibit venting of unabated methane by mandating Ventilation Air Methane (VAM): from highest-emitting underground mines from 2027, from other underground mines from mid-2028. (NCC says VAM this decade)
- Require gas drainage and flaring requirements for surface (open cut) mines, as proposed by the Expert Panel.

Guide does not adequately address use of diesel or coal-powered electricity

Coal miners are significant users of polluting diesel engines, yet there is no incentive or requirement in the Guide or License requirements for them to reduce use until after 2030. Even then, measures would only encourage them to shift a proportion of fuel to lower carbon alternatives, not to reduce total diesel use. (This echoes a problem in the Federal Government's Safeguard Mechanism, where a facility's total emissions can rise with impunity as long as the carbon emissions per unit of output improve - slightly). There is little reason why the shift, for example, to an electric vehicle fleet could not be required to begin from 2026 if mandated NOW.

Scope 2 emissions from electricity are perhaps the easiest of the lot to reduce. Solar panels can provide power to a mine and batteries can back it up onsite, meaning grid energy from coal-fired power is significantly reduced. Yet the Guide does not even include a requirement for this.

The draft Guide says that the EPA will look at this issue "later".

Recommendations

- Require all mines to utilise renewable energy for electricity by 2030.
- Require all coal mines to electrify all vehicles, both haulage and passenger vehicles: at least 50% by 2030, 70% by 2035.

Guide does not address Scope 3 emissions

With most coal extracted in NSW exported, Scope 3 emissions are the elephant in the room. We know that the Federal Safeguard Mechanism does not count them, but nevertheless coal burnt offshore contributes no less to global heating than if it is burnt down the road.

Recommendation

- Include a coal mining sector emissions cap for Scope 3 emissions, in direct proportion to the 2030 and 2035 targets set for overall reduction of NSW GHG under the *Net Zero Future 2023 Act*.

Summary of Recommendations

- Withhold Environment Protection Licences from companies that fail to comply with emissions reduction requirements.
- Do not accept offsets as "emissions reductions".
- Remove the proposed exemption for "not feasible to implement" which allows coal miners to avoid requirements.
- Set strong penalties for non-compliance with any mitigation measure.
- Work with the Net Zero Commission to determine a coal mining sector emissions target for 2030 and 2035, consistent with our *Net Zero Future 2023 Act* targets.
- Detect and impose prohibitive penalties for methane leaks from underground mines, including those in care and maintenance, by 2026.
- Prohibit venting of unabated methane by mandating Ventilation Air Methane (VAM): from highest-emitting underground mines from 2027, from other underground mines from mid-2028.
- Require gas drainage and flaring requirements for surface (open cut) mines, as proposed by the Expert Panel.
- Require all mines to utilise renewable energy for electricity by 2030.
- Require all coal mines to electrify all vehicles, both haulage and passenger vehicles: at least 50% by 2030, 70% by 2035.
- Include a coal mining sector emissions cap for Scope 3 emissions, in direct proportion to the 2030 and 2035 targets set for overall reduction of NSW GHG under the *Net Zero Future 2023 Act*.