

Submission to the NSW Department of Planning and Environment

Key opportunities for accelerating greenhouse gas mitigation across NSW coal mines

This assessment outlines opportunities for accelerating greenhouse gas mitigation across NSW coal mines through the Minns Government's proposed reforms to Climate Change Licensee Requirements, Climate Change Mitigation and Adaptation Plans, and the Greenhouse Gas Mitigation Guide for NSW Coal Mines.

Environmental Defense Fund (EDF) is a global environmental NGO operating in more than 30 countries, including a growing presence in Australia. EDF pioneered methane science and advocacy first in the U.S. more than a decade ago and has since grown its science and advocacy efforts across the world in partnership with a spectrum of stakeholders.

Submitted by: Christopher Wright on behalf of Environmental Defense Fund

Contact: [REDACTED]

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1. Introduction

The NSW EPA has proposed significant reforms to regulate greenhouse gas (GHG) emissions from coal mines, introduce mitigation and action plans, and improve climate change licensee requirements. EDF supports this direction and in this submission, we propose refinements to accelerate earlier, deeper and verifiable emissions abatement while preserving mine safety and operational practicality. NSW has one of the world's most advanced and profitable coal-mining sectors, and this suite of recommendations highlights feasible steps to facilitate a sectoral transition towards lower emissions coal mining.

This submission addresses key consultation questions and presents related opportunities for reform. Now is the time for a practical step-change in the regulatory approach to modernise emissions measurement and public reporting, while creating the framework needed for uptake of existing state and federal decarbonisation incentives.

The coal mining sector represents one of the most critical challenges and potential barriers to NSW achieving its net zero interim targets. While the EPA is taking a positive step towards better monitoring and verification of greenhouse gas emissions across the coal sector with these proposed reforms, the scale of these reforms would not enable the transformative changes needed to catalyse appropriate mitigation action across the sector. We therefore recommend that the EPA adopt an accelerated, transitional roadmap that would incentivise and facilitate targeted onsite mitigation across the highest emitting coal mines in the state, alongside critical reforms to monitoring, reporting and verification.

Given the sector's structural inertia and long asset cycles, direct regulatory intervention, incentives and transparent performance standards will be necessary to catalyse action and provide the long term certainty needed to facilitate sustained emission reductions through to 2035.

2. Background

The subject consultation follows the NSW Parliament inquiry into Net Zero, and runs alongside the [State-wide coal mine consultation](#) and the [Parliamentary inquiry into emissions from the fossil fuel industry](#) in New South Wales. The consultation also notes the most recent EPA and CSIRO assessment report focussed on [Improving Measurement of Fugitive Methane Emissions](#) (2025) and the federal Climate Change Authority (CCA)'s 2023 [Review of the National Greenhouse and Energy Reporting Scheme](#).

The NSW Net Zero Commission's 2024 [Annual Report](#) highlights that the outsized Scope 1 impact of the coal mining sector's emissions represent an economy-wide emissions risk and consequent responsibility for emissions mitigation. According to the Commission, we are now approximately half way towards the state's 2030 targets, but the "increased emissions in the

resources sector” poses a considerable impediment to their achievement. The Commission further noted that lack of Scope 1 emissions reduction ambition within the coal mining sector “may require other sectors to make greater emissions reductions”. While NSW does not currently require coal companies to report scope 3 emissions, the Commission also highlighted the outsized impact of the state’s export-oriented thermal coal sector, which is responsible for an annual Scope 3 climate footprint equivalent to 450 million tonnes of CO₂-e. This is larger than the total greenhouse gas emissions of [France](#).

The review also importantly comes shortly after Australia has submitted its updated [Nationally Determined Contribution](#) to the UNFCCC for reducing greenhouse gas emissions as part of its commitment to the Paris Agreement. The commitment to reduce greenhouse gas emissions by 62-70% compared to 2005 over the next decade will require nothing short of an economy-wide transformation.

The CCA also [highlighted](#) the critical role the resources sector will need to play in achieving this target. While noting that abatement options for the coal mining sector are relatively limited, they stated that cost effective technological solutions are available, and called for “concerted efforts to overcome regulatory barriers [that] would allow some cost-effective technologies to be deployed now”. Specifically, the CCA referenced CSIRO modelling which conservatively suggests that technological solutions “could reduce methane emissions from underground coal mines by 3 Mt CO₂-e per year”. This has since been reinforced by the [Resources Sectoral Plan](#) which notes that ventilation air methane (VAM) abatement technology is “particularly important” for achieving this sectoral target.

According to the target advice [provided by](#) the CCA, achieving a national 62-70% target will require the NSW government to, at a minimum, meet its interim emissions reduction targets, considering the limited progress on emissions reductions in some other states. In our response to consultation question Q2.1 from the Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, we address concerns relating to surface mine drainage and also outline an accelerated but feasible sectoral roadmap for fugitive emissions mitigation to address both national and state-specific emissions reductions needs. We understand that the Minister for Climate Change is in the process of developing [additional inputs to a new Net Zero Plan](#); we believe that this accelerated pathway and associated licensee requirements could play a critical role in accelerating climate action across the coal sector.

Specific Consultation Questions

3. Proposed Climate Change Licensee Requirements

Western Coalfield Exemptions

Should underground coal mines in the Western Coalfields be required to continuously monitor methane concentrations from ventilation shafts for reporting purposes given the low methane content? Are there instances where this requirement would not be practical or feasible for specific underground mines?

EDF supports the application of a consistent minimum standard requiring all underground coal mines, including those in the Western Coalfields, to continuously monitor methane concentrations from ventilation shafts for reporting purposes. While estimated methane levels in this region may be considerably lower than in other coalfields, we take note of the recent CSIRO evaluation of methane estimation approaches under NGERs, and believe that the considerable uncertainty range for these estimates deserves a re-evaluation. [CSIRO](#) noted that current direct monitoring approaches for underground coal mines have an estimated uncertainty of $\pm 10.2\%$ that coal mines utilising historical sampling estimation approaches carry a larger uncertainty of about $\pm 33.2\%$. Considering the lack of direct measurement, or recently updated or independently verified gas samples that have contributed to existing methane estimations, we recommend that existing assumptions be reconsidered, and re-evaluated. Building on this, continuous monitoring across these mines could play a critical role in ensuring accurate measurement, improving confidence, and contributing to broader emissions transparency improvements that can guide both regulatory oversight and investment in abatement solutions.

Given the scale of production in the Western Coalfields, the marginal cost per tonne of monitoring greenhouse gas emissions is [relatively low](#). The capital and operating costs of onsite monitoring have not been a notable fiscal challenge for other underground mines reporting to the CER, with far lower production volumes. Excluding these mines based on regional averages risks creating uneven regulatory expectations and weakening the integrity of the monitoring and reporting system. A statewide minimum standard provides regulatory clarity, supports transparent inventory reconciliation, and ensures that all mines are positioned to respond effectively to emerging obligations under both domestic and international climate frameworks. This would also be a critical step to help address what CSIRO and the EPA [described](#) as “significant uncertainties” when calculating current emissions from underground coal mining across the state.

There may however be rare site-specific circumstances where continuous monitoring is not practical. In such cases, we support the EPA’s proposal that any exemption request must be assessed through a comprehensive pre-feasibility study that includes both qualitative and

quantitative data. This assessment should be independently verified by a suitably-qualified expert, as outlined in the EPA's consultation documents (EPA NSW, 2025).

This exemption pathway should remain narrow in scope and subject to close scrutiny to avoid weakening the broader policy intent. In all other cases, the baseline requirement for continuous shaft-level monitoring should apply consistently across the state to ensure fairness, comparability and accountability.

Recommendation:

- The Western Coalfields should be included in a statewide shift to continuous emissions measurement, as recommended by CSIRO. We do not believe this poses technical or capital challenges, and note that a pre-feasibility study should be a prerequisite to any request for exemption.

CCMAP Timeframes

The EPA is seeking feedback on the proposed timeframes for the Annual Climate Change Emissions Report and Climate Change Mitigation and Adaptation Plans. Are these time frames suitable in light of National Greenhouse and Energy Reporting scheme (NGERS) and Safeguard Mechanism reporting obligations? Are there other factors the EPA should be aware of?

EDF supports the proposed timeframes for the Annual Climate Change Emissions Report and Climate Change Mitigation and Adaptation Plans. Aligning these timelines with existing NGERS and Safeguard Mechanism reporting obligations is appropriate and helps minimise administrative burden.

We strongly recommend that no extensions or deferrals be granted for facilities already covered by the Safeguard Mechanism, or for facilities that are part of a portfolio operated or owned by a company with at least one Safeguard Mechanism facility. These operators already have the necessary systems and reporting capacity in place, and should be expected to comply from the outset. We also encourage the EPA to specify consequences for non-compliance, particularly for large operators. Providing early clarity around the implications of late or incomplete reporting will support fairness across licensees and reinforce confidence in the framework.

Finally, we note that the proposed timeframes are closely aligned with the upcoming VAM monitoring requirement, due to commence on 31 October 2026. Together, these obligations provide a foundation for consistent emissions measurement and mitigation planning. We encourage the EPA to consider how these instruments can be strategically integrated to support efficient data use and reinforce sector-wide progress toward New South Wales' net zero targets.

Recommendation:

- The timelines outlined for CCMAPs align well with existing reporting obligations and do not support any exemptions for delayed delivery for facilities already covered by the Safeguard Mechanism, or for facilities that are part of a portfolio operated or owned by a company with at least one Safeguard Mechanism facility. EDF encourages the EPA to clearly communicate expectations for timely compliance.

4. Climate Change Mitigation and Adaptation Plans: proposed mitigation requirements

Can you suggest other existing plans similar to CCMAPs that the EPA could reference?

To enhance the robustness and international alignment of Climate Change Mitigation and Adaptation Plans (CCMAPs), we recommend that the EPA consider referencing the latest United Nations Economic Commission for Europe (UNECE) [Best Practice Guidance on Ventilation Air Methane \(VAM\) Mitigation](#), published in 2025. This updated guidance provides detailed methodologies and technologies for effective continuous monitoring, quantification, and mitigation of VAM emissions from coal mines.

The 2025 UNECE guidance highlights advanced and cost-effective mitigation technologies such as Regenerative Thermal Oxidation (RTO), which have been successfully deployed in large-scale, long-term projects, demonstrating the technical feasibility of VAM abatement. It also emphasises the importance of integrating methane management with operational safety and environmental risk assessment.

Incorporating the UNECE 2025 standards into CCMAPs will enhance their technical rigour, align NSW's regulatory framework with internationally recognised best practices, and support both meaningful emissions reductions and the maintenance of safe, reliable mining operations.

10 year emissions estimates

The EPA has heard from some licence holders that publishing 10 year emission estimates may reveal commercially-sensitive information. Do you have any suggestions for how to meet the intent of this requirement without publishing commercially sensitive information?

We support the requirement for licensees to submit 10-year emissions estimates as a critical tool to align sector performance with NSW's net zero targets and ensure transparent, accountable emissions management. These projections play a vital role in encouraging competition and compliance across the coal mining sector by providing a consistent, comparable dataset that drives innovation and investment in mitigation measures.

While we acknowledge concerns about revealing commercially sensitive information, we question the commercial sensitivity of aggregated emissions data and note there is a strong public interest in such data being transparently disclosed. This data indicates environmental and climate performance and impacts, rather than proprietary business strategies. A lack of transparency and competitive approaches to mitigation across the coal mining sector have limited the uptake of emissions reduction technologies, creating a perception that viable solutions are not feasible.

Recommendations:

- Require the publication of standardised summary data for all licensees to enable robust sector-wide and site-specific analysis while protecting sensitive operational details. This could include emission ranges, key assumptions, and planned mitigation milestones.
- Mandate submission of detailed emissions forecasts, including cost-benefit analyses of planned mitigation measures, to the EPA. These assessments should include established social cost of carbon calculations and consider longer-term return on investment horizons beyond ten years to capture the full value of climate mitigation.
- Publish independent third-party audit summaries and verification statements, to improve scrutiny of data and build public trust.
- Provide clear guidance on what constitutes commercially sensitive information which should be submitted in reporting but should not be made public, and establish transparent criteria for confidentiality claims to prevent excessive withholding of data.

Such a framework aligns with international best practices, including recent UNECE guidelines on VAM mitigation, which emphasise transparent measurement, reporting, and verification protocols to build confidence and drive emissions reductions (UNECE 2025). By adopting these measures, the EPA can enhance transparency, stimulate competition, and accelerate the adoption of effective methane mitigation technologies in the coal mining sector, while safeguarding legitimate commercial interests.

Finally, improving data transparency will enhance sectoral performance by enabling third-party providers to develop tailored mitigation solutions. This may foster a more competitive sectoral mitigation ecosystem that accelerates emissions reductions. We encourage the EPA to incorporate these principles to ensure that emissions reporting requirements effectively support NSW's climate goals while respecting genuine commercial sensitivities.

5. Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines

Q2.1 Fugitive emissions

We strongly support the EPA's proposed requirement for facilities to install VAM abatement systems on eligible underground mine shafts by July 2030. This is an important regulatory signal that reflects a broader commitment to long-term emissions reductions from the coal sector. While the EPA's approach appropriately includes a safety review before mandating specific VAM technologies, we are concerned that the absence of a clear regulatory signal well before 2028 will likely delay key investment decisions. Current pilot trials of regenerative thermal oxidiser (RTO) and catalyst-based technologies in New South Wales and Queensland have not yet translated into full scale deployment, despite growing international evidence of their technical and economic viability in high volume ventilation systems.

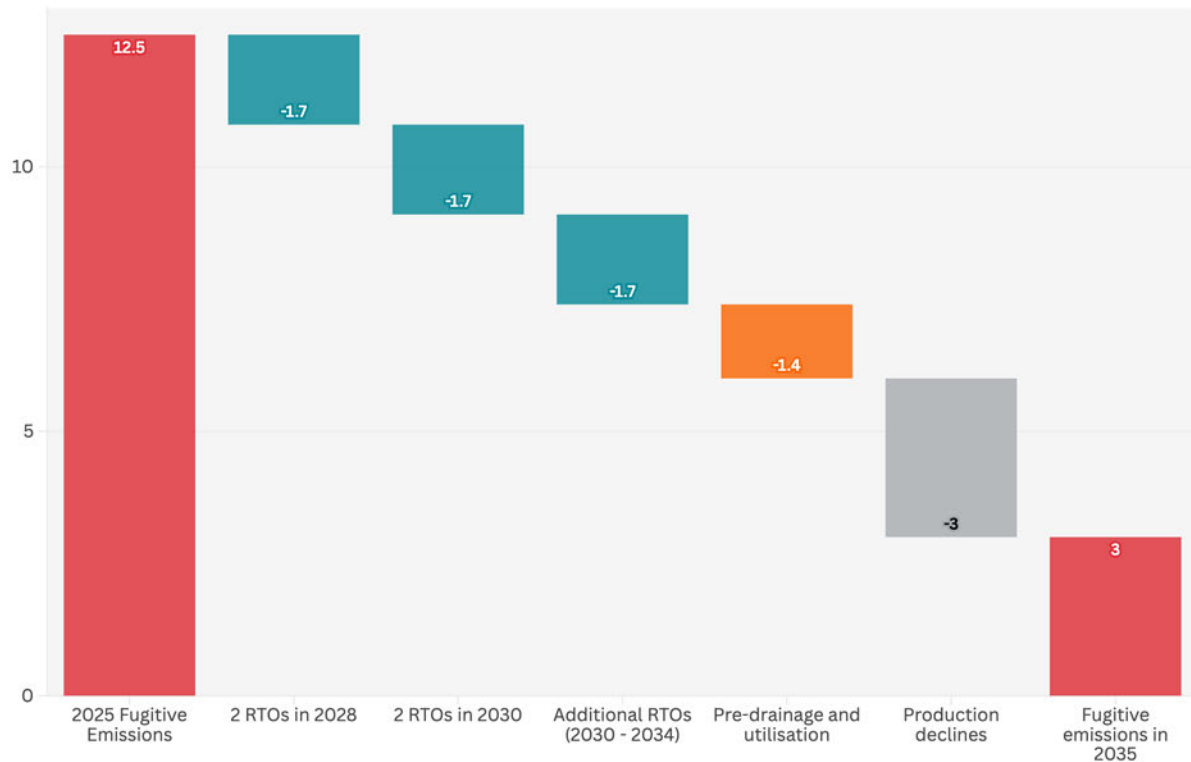
In Figures 1 and 2 below we have modelled a mitigation pathway for NSW targeting a 75 percent reduction in fugitive methane emissions from the coal sector by 2035, aligned with global benchmarks such as the IEA Net Zero Emissions Scenario. This pathway—called the 'Presented mitigation scenario' in Figure 2—assumes that a significant share of VAM from underground mines can be destroyed using RTO systems, beginning before 2030. Specifically, it requires the deployment of full-scale RTO systems across at least six high-emitting underground mines in New South Wales by 2032, based on current methane emission profiles and operational lifespans. When combined with innovative abatement solutions at a range of open cut mines, this scenario would aim to achieve an annual abatement of 6.5Mtpa CO₂-e across operating coal mines by 2035. This is compared to the 2.6Mtpa CO₂-e abatement that is currently projected in the SEED Net Zero Database by 2035.

Commissioning these projects would likely require significant lead time—for site-specific safety and feasibility assessments and project approval prior to receiving FID. Current abatement estimates from the SEED Net Zero database suggest that significant abatement will not occur onsite prior to 2033, as shown in Figure 2. Clear, near-term regulatory signals are needed to accelerate this timeline and bring on substantial abatement well before then.

Figure 1: Proposed NSW fugitive emissions roadmap

A viable roadmap towards a 75% reduction in fugitive emissions

Mt CO₂-e

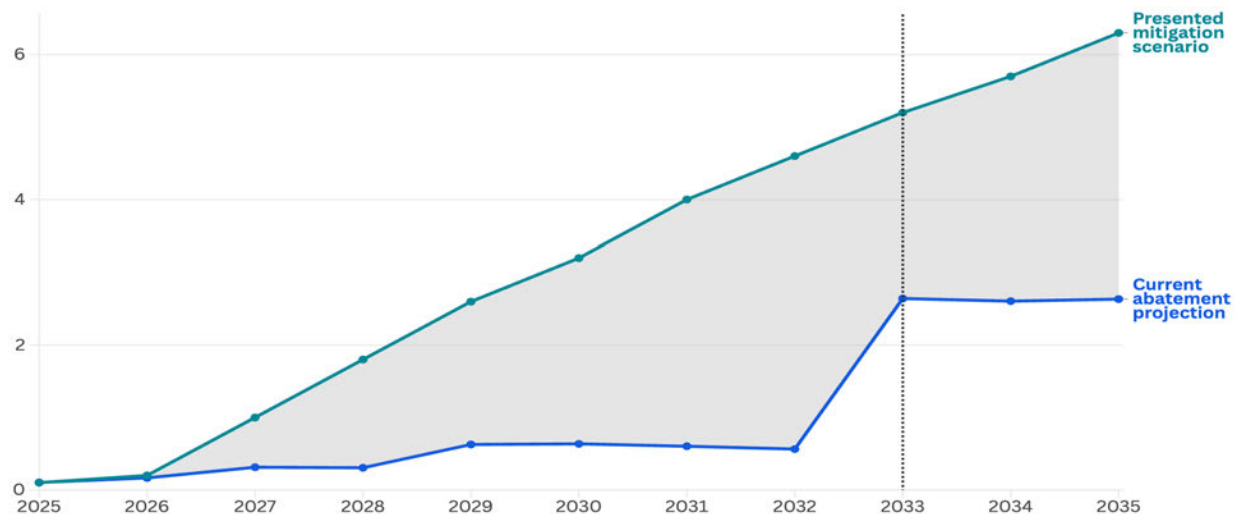


Source: NSW Gov SEED 2025 update, Independent Analysis

Figure 2: Comparing the proposed emissions roadmap to currently projected abatement in NSW

Coal mine fugitive emissions abatement gap

Projected abatement shows limited uptake before 2033 (Mt CO₂-e)



Source: NSW Government SEED 2025 update

While the 2030 timeline does not prevent earlier action, it lacks the regulatory certainty needed to support these investments today. Given the long lead times required for design, safety integration and procurement, earlier regulatory clarity would help de-risk projects and enable timely adoption.

We believe that a more proactive stance on VAM abatement in the short term is necessary to build investor and operator confidence, enable sector-wide learning, and help position New South Wales as a leader in coal mine methane mitigation.

Recommendations:

1. Support and fast-track the transition from pilot VAM abatement trials to full scale deployments by enabling voluntary early adopters to proceed with regulatory certainty and streamlined approvals.
2. Clarify that VAM mitigation should proceed in parallel with improvements to methane monitoring and reporting (MRV), rather than waiting on multi-year MRV enhancements to conclude.
3. Recognise the importance of multiple early deployment of full-scale abatement systems in shaping robust operational datasets to inform the 2028 safety review and refine future regulatory requirements.
4. Coordinate with the Resources Regulator, ventilation safety experts, and third-party technology providers to ensure full-scale RTO systems are integrated into mine operations safely and efficiently, well before the draft 2030 regulatory requirement.

Consultation Question Q2.1: Pre-drainage feasibility

While the NSW coal sector has generally avoided pre-drainage and methane destruction at surface mines, that avoidance is more reflective of institutional inertia than technical infeasibility.

The challenges, such as shallow seams, low methane content, logistical constraints, infrastructure costs and variable gas flows, are real and outlined in the EPA's Guide. However, empirical evidence and recent studies suggest that there are viable pathways to pre-drainage where conditions are favourable. Pilot projects in Queensland (e.g. Curragh and South Walker Creek) illustrate that surface drainage strategies are being actively tested in operational settings across the state. A study by [Raymond Johnson \(2024\)](#) from the University of Queensland demonstrates how implementing subterranean barriers in tandem with pre-drainage can dramatically reduce gas ingress, even in open-cut environments, when designed with site geology in mind. More recently, a [2025 analysis](#) indicates that many surface mines across the Bowen Basin may be closer to viable drainage thresholds than previously assumed, but must undergo detailed gas content and permeability assessments. We expect this potential to vary in

NSW, but this study highlights that existing assumptions for drainage feasibility require periodic review.

The relative technical feasibility of gas drainage depends on a seam's methane abundance, thickness and permeability, while operational elements such as the borehole access logistics and lead time play an operational role. Any feasibility assessments should clearly differentiate between the technical, geological feasibility and additional operational or commercial factors. This is an area of particular importance that must be reported transparently, with opportunities for peer review and publicly available feasibility studies. This will be critical to highlighting and overcoming technical challenges.

Recommendation:

- NSW EPA should set a regulatory requirement for pre-drainage unless it is proved to be technically infeasible. Detailed feasibility assessments should be required for any facility seeking an exemption. This would ensure that opportunities are effectively assessed, differentiating between technical, commercial and operational feasibility.

Q3.1-3 Low carbon fuel alternatives

EDF supports the EPA progressing a regulatory requirement for 2.5% low-carbon fuel use by 2027. This is an early, achievable step forward. However, these near-term signals need to accelerate towards a far stronger rollout of electrified vehicles post-2030. A modest near-term mandate would create a credible demand signal to stimulate local renewable fuel supply, align with the NSW Renewable Fuels Strategy, and encourage operational (rather than capital-intensive) abatement consistent with the remaining lifespan of many coal mines. Current domestic biodiesel capacity and limited utilisation indicate the market can support this early target if paired with sustainability standards and clear off-take commitments.

Coal mines can also begin transitioning sooner to low and zero-emissions machinery, particularly at surface operations where battery-electric and cable-tethered systems are increasingly viable for ancillary and haulage equipment. Targeting replacements around scheduled fleet overhauls and grid connection upgrades can bring forward electrification without stranding assets. The EPA could go further to require site-specific electrification plans under licence conditions, helping identify “no-regrets” retrofits that deliver both productivity and emissions benefits.

The main barriers to accelerated uptake are the price gap between renewable and fossil diesel, infrastructure lead times for charging and grid upgrades, and OEM limitations for high-blend biofuels. However, there are strong opportunities to address these through coordinated policy and support. An existing [recommendation](#) to reform the Fuel Tax Credit scheme includes a \$50m annual cap and redirection toward mine-site decarbonisation. Additional support through the NSW High Emitting Industries Fund could also play a valuable role in co-financing early electrification infrastructure.

EDF therefore recommends that the EPA adopt a phased, enforceable roadmap that begins with the 2.5% renewable fuel mandate by 2027, integrates site-level electrification planning, and aligns fiscal incentives to accelerate low-carbon fuel uptake and zero-emission fleet transition across the state’s highest-emitting coal mines.

In contrast to the Table 13 presented in the Proposed GHG Mitigation Guide, we would like to suggest the following alternative pathway:

Year	Proposed EPA requirement	Suggested Roadmap
2027	—	2.5% of diesel replaced with verified low-carbon fuel (waste/residue-based biodiesel or renewable diesel). Early-action credits allowed.
2030	5% low-carbon fuel.	15% low-carbon fuel and 10% of large machinery electrified/ZEV
2035	10% low-carbon fuel.	40% low-carbon fuel and 35% of large machinery electrified/ZEV; all new light-duty and ancillary fleets zero-emission.
2040	25% low-carbon fuel + 75% ZEV machinery.	65% low-carbon fuel and 80% large machinery electrified/ZEV; trolley/cable assist on main hauls and grid-tied processing standard.
2045	—	90% low-carbon fuel and 95% ZEV machinery; fossil diesel confined to specialist or remote units only.
2050	25% low-carbon fuel + 100% ZEV.	100% low-carbon fuel and 100% ZEV fleets; residual fossil diesel fully phased out.

This timetable reflects a science-aligned but practical decarbonisation trajectory consistent with NSW’s legislated 70% emissions reduction by 2035 and Net Zero by 2050 targets. It balances near-term abatement via low-carbon fuels with a clear path toward full fleet electrification as grid access, renewable supply, and OEM availability expand.

The revised milestones (40% low-carbon fuel and 35% electrified fleets by 2035; 80% ZEV by 2040) mirror international best practice in the mining sector, as identified by ICMM decarbonisation pathways. If these targets were supported by Fuel Tax Credit reform and targeted NSW government co-investment through the Heavy Industries Fund, this revised timetable would position the EPA’s requirements as both credible and catalytic for the broader industrial transition.

Q.7.4 - Exemption criteria

We support the use of pre-feasibility assessments (PFAs) as a transparent, evidence-based mechanism for demonstrating whether mitigation measures are genuinely infeasible at a given site. However, EDF is concerned that some operators may treat feasibility assessments as a default pathway to avoid on-site abatement, particularly given the sector’s current reliance on offsets under the Safeguard Mechanism. The NSW EPA should ensure that exemptions are exceptional, temporary, and only granted where robust evidence shows that mitigation is not technically viable within the mine’s remaining life.

To strengthen robustness and reduce compliance costs, PFAs should follow a standardised EPA template with defined technical and economic criteria. The exemption framework should clearly specify narrow technical circumstances where an exemption may be pre-qualified, but still require supporting documentation and periodic re-assessment to prevent indefinite exemptions. For exemption requests based on commercial viability, transparent cost benefit assessments should require benchmarking against the social cost of carbon pricing outlined in the TPG24-34. The indicative carbon price trajectory begins at \$AUD 131/t CO₂-e in FY25, rising to \$334/t CO₂-e in FY35.

EDF also recommends the public disclosure of all exemptions, along with non-confidential elements of PFAs. This should include mitigation options assessed, cost benefit analysis assumptions, justification for infeasibility, and proposed review timelines. While commercially sensitive data can remain confidential, the rationale for decisions and re-assessment dates should be transparent. A 30 business-day public comment period for proposed exemptions would provide meaningful oversight, consistent with NSW environmental assessment practice.

Where exemptions are granted, EDF recommends that licensees be required to purchase high-integrity, NSW-based offsets, preferably methane-specific credits, to ensure local climate benefit and avoid undermining genuine on-site abatement. This approach would preserve equity between compliant operators and those temporarily exempted, reinforce local mitigation markets, and maintain the integrity of NSW's emissions-reduction trajectory.

Recommendation:

- EDF understands that onsite mitigation is context specific, and encourages the EPA to strengthen and clarify the pre-feasibility assessment criteria to ensure that exemption requests and approvals are transparent, assessed with consistent criteria, periodically re-assessed, and linked to high-integrity offsets that should be limited to within state boundaries, and if possible, aligned to greenhouse gas-specific offset opportunities (i.e. methane-specific credits).

Q7.5 Equivalent reductions and offset use

EDF does not support exemptions being granted on the basis of “equivalent reductions” achieved through credit purchases or accounting mechanisms. Allowing exemptions on these grounds risks disincentivising core on-site abatement, including VAM oxidation, pre-drainage and utilisation projects, and diesel electrification.

These are precisely the measures needed to deliver structural, verifiable emissions reductions across the coal-mining sector. The exemption framework should therefore make clear that direct, on-site mitigation remains the default and expected pathway.

For Safeguard Mechanism covered facilities, we recognise that the use of Safeguard Mechanism Credits (SMCs) and ACCUs are permitted and widely utilised. However, where

offsets are used, they should be:

1. Generated within NSW, to maintain local mitigation benefit and alignment with state targets; and
2. Greenhouse gas specific, where possible. This would enable a market for high integrity methane offsets to substitute hard-to-abate methane emissions from coal mines. This offset opportunity is already commercially available in other jurisdictions, such as through [Zephiro](#) in the US, and was largely made possible through direct regulatory guidance and certification. A similar regulatory approach may incentivise equivalent services and providers within NSW.

To ensure alignment with national decarbonisation goals while maintaining regulatory integrity, we recommend the following declining cap on offset use for SGM and non-SGM facilities alike:

Period	Maximum offsets (as % of site's annual covered emissions)	Notes
Now–2030	≤ 30 %	Only NSW-based, high-integrity credits; prioritise methane-specific projects.
2031–2035	≤ 10 %	Same integrity and locality requirements; signal transition toward direct abatement.
Post-2035	≤ 5 %	Progressively tighten to near-total on-site mitigation.

This approach aligns with the Safeguard Mechanism in the short term, while ensuring the EPA's framework continues to drive genuine on-site abatement, fosters local offset supply chains within NSW, and avoids perverse incentives that delay investment in VAM destruction, pre-drainage, and fleet electrification.

Recommendation:

- EDF is concerned that existing preferences for offsite mitigation within the Safeguard Mechanism risk undermining the spirit and integrity of the EPA's proposed reforms, and unfairly shifting the mitigation burden onto other sectors, while allowing environmental and climate pollution to persist in NSW. We recommend that any use of "equivalent reductions" are only approved following strict PFA review and that utilisation is limited and progressively phased out at a facility level.