
Wednesday, 26 March 2025

Mr Jack Turner
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Department of Planning, Housing and Infrastructure

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Dear Jack,

Re: HVO Continuation Project (SSD-11826621 and SSD-11826681) - Response to RFI and Proposed Project Amendments

1 Background

HV Operations Pty Ltd (HVO) is seeking approval for the HVO Continuation Project (the Project) from the NSW Minister for Planning and Public Spaces, or delegate, under the provisions of Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Project broadly comprises the continuation of mining at HVO North and HVO South. Given that the two mine sites operate as one complex, one Environmental Impact Statement (EIS, EMM 2022) was prepared to support the two State Significant Development (SSD) applications being:

- SSD-11826681 - HVO North Open Cut Coal Continuation Project (HVO North Project)
- SSD-11826621 – HVO South Open Cut Coal Continuation Project (HVO South Project).

The EIS was prepared in accordance with the Secretary's Environmental Assessment Requirements (SEARs) issued for HVO North and HVO South on 11 March 2021, and the State Significant Development Guidelines (DPIE 2022). The EIS was placed on public exhibition for a period of four weeks from Monday 30 January 2023 through to Monday 27 February 2023.

To respond to matters raised in submissions on the Project during the public exhibition period, a Submissions Report (EMM 2023a) was prepared, along with an Amendment Report (EMM 2023b) outlining proposed amendments to the HVO North Project.

In March 2024, DPHI requested the NSW Independent Expert Advisory Panel for Mining (IEAPM) conduct an assessment of the Project in respect to water resources and greenhouse gas. This independent assessment considered whether the proposed greenhouse gas avoidance and mitigation measures proposed by HVO were sufficient.

2 Request for Information

During the subsequent assessment of the Project by the Department of Planning, Housing and Infrastructure (DPHI), a number of requests for information (RFI) have been received with responses provided as required.

A RFI dated 5 July 2024 was received by HVO which included supporting information made up of:

- Correspondence to the Planning Secretary from the Hon Paul Scully (Minister for Planning and Public Spaces) and the Hon Penny Sharpe (Minister for Climate Change, Minister for Energy, Minister for the Environment and Minister for Heritage) regarding consideration of the *Climate Change (Net Zero Future) Act 2023* (Climate Change Act); and
- the IEAPM advice, Hunter Valley Operations Continuation Project (SSD-11826681 and 11826621) (IEAPM Advice) (July 2024).

In his correspondence to the Planning Secretary, the Minister for Planning and Public Spaces acknowledged that NSW is not on track to meet its 2030 and 2035 targets of the Climate Change Act without action by the Government and private sector. Further, it was reiterated that agencies involved in the decision-making process within the planning system have regard for the Government's emission reduction targets, the Climate Change Act guiding principles and the new draft Climate Change Assessment Requirements and Guidelines for High-Emitting Projects (draft Climate Change Guidelines). It is noted that since the Minister prepared this correspondence in 2024, and following public consultation on the draft Climate Change Guidelines, the EPA released the final NSW Guide for Large Emitters (Large Emitters Guideline) in January 2025.

The RFI states that in light of the correspondence from the Minister for Planning and Public Spaces and the conclusions of the IEAPM, DPHI requests that HVO provide a response to the IEAPM Advice, including information on the implications for the Project avoiding all coal extraction from mining Domain 1 at HVO North. In addition, the RFI requests further consideration of the guiding principles of the Climate Change Act and how the Project fits within Glencore's 2024-26 Climate Action Transition Plan.

This submission outlines the proposed approach by HVO to address matters raised in the above-mentioned correspondence.

3 Response to Request for Information

It is acknowledged that there are concurrent legislative and policy frameworks for GHG regulation at both the Federal and State levels.

At a Federal level, the Safeguard Mechanism is the Australian Government's policy for reducing emissions at Australia's largest industrial facilities. It sets legislated limits, known as baselines, on the GHG emissions from these facilities. These baselines will decline, predictably and gradually, on a trajectory consistent with achieving Australia's emission reduction targets of 43% below 2005 levels by 2030 and net zero by 2050.

At the NSW State level, the NSW Government enacted legislation that enshrined its own emissions reduction targets and guiding principles, through the Climate Change Act and Large Emitters Guideline. The Large Emitters Guideline state that the Safeguard Mechanism provides a minimum standard for the highest-emitting facilities. However, that does not preclude the need for the EPA and the consent authority to:

- Properly understand the potential GHG impacts of proposed new or significantly modified developments within NSW; and

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- Ensure all proponents are adequately avoiding, minimising and managing their emissions over all stages of the development.

Since the preparation of the EIS, and as outlined in subsequent supporting assessment material, HVO has made ongoing efforts to minimise the impacts that will arise from the Project. Regarding minimising GHG emissions, a number of commitments have been proposed, including:

- Continue to undertake regular reviews of technologies and abatement measures to reduce GHG emissions from the Project, including whether these measures are reasonable and feasible to implement at HVO. These reviews will be undertaken every three years and will include consideration of the use of alternate fuels including biofuels and hydrogen, and the transition to an electric powered fleet, as these technologies advance and more information becomes available.
- The HVO Air Quality and Greenhouse Gas Management Plan will be updated to reflect the Project and will include a 3-year action plan (updated every 3 years) for investigating and implementing all reasonable and feasible abatement measures to minimise GHG emissions.
- HVO will conduct a trial of gas pre-drainage in areas identified with higher potential, to investigate the feasibility and effectiveness of gas pre-drainage. The design of the trial will be developed in consultation with relevant stakeholders to the satisfaction of the Planning Secretary and be provided within two years of commencement of the Project.
- To meet the requirements of the Federal Safeguard Mechanism, HVO will implement abatement activities, or purchase carbon offsets such as Australian carbon credit units (ACCUs) or Safeguard Mechanism credits (SMCs), whichever is cost effective and practical at the time.
- To meet the requirements of the NSW Climate Change Act, HVO will go beyond its Safeguard Mechanism obligations to contribute to NSW emission reduction targets of 50% by 2030 and 70% by 2035. In effect, HVO would implement a net emissions decline rate for the Project that is more ambitious than the Safeguard Mechanism requirements and deliver additional emission reductions for the HVO Project through the voluntary surrender of additional ACCUs and/or SMCs.

HVO supports a consistent, efficient and harmonised approach to GHG regulatory policy including compliance reporting, regulatory constraints, and the utilisation of a national carbon market to avoid duplication, unnecessary additional costs and unintended consequences. Notwithstanding this, and coupled with the existing commitments, HVO recognises that changes to the currently proposed HVO North and HVO South SSD applications are desirable, to contribute further to NSW GHG emissions reduction targets. In response to the RFI, HVO is completing a detailed review of the Project and is proposing to seek approval to amend the Project, to reduce GHG emissions compared to the SSD applications currently being assessed, in the following ways:

- Reduce the project mine plan to avoid coal extraction within gas Domain 1 at HVO North and reduce the total run-of-mine (ROM) coal extraction from the Project by approximately 220 million tonnes (Mt).



- Maintain the current approved maximum annual production from HVO North of 22 million tonnes per annum (Mtpa) but reduce the approved maximum annual production from HVO South from 20 Mtpa to 13 Mtpa.
- Propose a limit to the maximum annual production for the HVO Complex of 26 Mtpa, reduced from the current theoretical maximum production of 42 Mtpa (or 35 Mtpa with the proposed reduced production limit for HVO South).
- Reduce the proposed life of mining operations at HVO North by five years, from the end of 2050 as currently proposed to the end of 2045.
- Reduce the proposed life of mining operations at HVO South by three years from the end of 2045 as currently proposed to the end of 2042.
- Remove approval for the construction and operation of the Lemington Coal Preparation Plant (LCPP) and associated rail facilities, which is currently approved, but not constructed, under the HVO South Project Approval.

As noted above, two SSD applications were submitted for the Project, one for HVO North and one for HVO South. Accordingly, HVO will be seeking approval to amend both applications to account for the above Project amendments, as outlined further in **Table 1**.

Table 1 Proposed Amendments

Aspect	HVO North amendment	HVO South amendment
Mine life	Reduction in the proposed life of mining operations from the end of 2050 to the end of 2045.	Reduction in the proposed life of mining operations from the end of 2045 to the end of 2042.
Annual ROM coal production	HVO Complex – establishment of a maximum annual complex production rate of 26 Mtpa. HVO North – No change (up to 22 Mtpa).	HVO Complex – establishment of a maximum annual complex production rate of 26 Mtpa. HVO South – reduction from up to 18 Mtpa as documented in the EIS (current approval is for up to 20 Mtpa) to 13 Mtpa.
Mining operations	Avoid coal extraction in higher gas emission reserves associated with gas Domain 1 and reduce the total ROM coal extraction by approximately 170 Mt*.	Reduce the total ROM coal extraction by approximately 50 Mt* including some changes to mine scheduling to account for the lower ROM coal annual production rate.
Coal processing	No change.	Remove approval for the construction and operation of the LCPP and associated rail facilities. Inclusion of the temporary use of Liddell coal handling and train loading facilities.

**Comparison of mine schedules commencing 1 January 2027*

While HVO's review of the Project is ongoing and the details of the proposed amendments to the Project are still being finalised, HVO has confirmed the Project is feasible from a practical and financial perspective if amended as outlined above to avoid Domain 1. Details of the practical implications of avoiding Domain 1 for mine planning, design and progression will be included in the amendment report.

Further, while a detailed assessment of the consequences of the proposed amendments for the GHG emissions and environmental impacts of the Project is yet to be finalised, it is anticipated that the proposed amendments, when compared to the Project currently proposed, will result in:

- ~30% reduction in diesel emissions over the life of the Project
- ~50% reduction in fugitive GHG emissions over the life of the Project, including an approximate ~90% reduction in fugitive emissions from 2040 onwards
- ~40% reduction in total Scope 1 GHG emissions over the life of the Project; and
- No impacts to Warkworth Sands Woodland Endangered Ecological Community (EEC). The removal of the LCPP from the Project and associated rail loop would remove the currently proposed 0.3 ha of impact to this EEC as documented in the EIS for the Project.

Other aspects of the Project may also be amended, where required, to account for the proposed changes outlined above.

As noted above, DPHI has requested that HVO give further consideration to the guiding principles of the Climate Change Act and how the Project fits within Glencore's 2024-26 Climate Action Transition Plan. Given HVO's intention to seek approval to amend the SSD applications in a manner that will have significant implications for the Project's GHG emissions, HVO proposes to provide this further information as part of the amendment report, once details of the proposed amendments have been finalised.

4 Amendment Report

Proposed Approach

Section 37 of the NSW *Environmental Planning and Assessment Regulation 2021* (EP&A Regulation) provides that an applicant may, at any time before an application is determined, apply to the consent authority for an amendment to the development application. HVO proposes to prepare and submit an amendment report to DPHI that will describe and assess the proposed amendments to the Project as summarised in **Section 3**.

The amendment report will be prepared in accordance with the *State significant guidelines – preparing an amendment report* (DPE 2022) and include supporting technical assessments as detailed below (**Table 2**).



Table 2 Proposed Amendment Report Technical Assessments and Approach

Aspect	Proposed assessment approach
Biodiversity	A new Biodiversity Development Assessment Report (BDAR) will be prepared to support the amendment report including consideration of the proposed reduction in vegetation disturbance. The BDAR will include new calculations using the latest version of the Biodiversity Assessment Method Calculator (BAM-C). It will also consider the residual matters raised by the Biodiversity Conservation and Science Group (BCS) – now known as the Conservation Programs, Heritage and Regulation Group (CPHR) – in correspondence dated 19 June 2024 and the implications of avoiding Domain 1.
Groundwater	Updated predictions of impacts to groundwater aquifers and users will be undertaken using the existing groundwater model developed for the Project to take into consideration proposed amendments to the mine plan and mining schedule. The revised predictions and assessment of impacts will be presented in a revised Groundwater Impact Assessment.
Surface water	<p>A revised Surface Water Impact Assessment focussing on changes to the water balance and final void recovery will be prepared in support of the amendment report. The assessment will take into consideration proposed amendments to the mine schedule and final landform design as a result of the proposed amendments.</p> <p>Impacts from flooding are anticipated to remain consistent with those presented in the Surface Water Impact Assessment (Engeny 2022) prepared as part of the EIS (EMM 2022) and as such, no revised flood modelling is proposed to be undertaken as part of the amendment report.</p>
Noise	A revised noise model and Noise Impact Assessment will be prepared to support the amendment report. The noise model will be updated to reflect changes to the mine schedule and production rates as a result of the proposed amendments.
Air quality	A revised air quality model and Air Quality Impact Assessment will be prepared to support the amendment report. The air quality model will be updated to reflect changes to the mine schedule and production rates as a result of the proposed amendments.
GHG	A revised GHG assessment will be prepared to support the amendment report. The GHG assessment will reflect changes to the mine schedule and production rates as a result of the proposed amendments. Consideration of the guiding principles of the Climate Change Act as they apply to the Project (as amended) and discussion on how the amended Project fits within Glencore's 2024-26 Climate Action Transition Plan will also be documented as part of the amendment report. The revised GHG assessment will also include information on the implications of avoiding Domain 1 for the overall GHG emissions of the Project (i.e. the quantity of Scope 1 emissions that will be avoided).
Social	A Social Impact Assessment (SIA) addendum report will be prepared in support of the amendment report. The SIA addendum report will include updates to the social baseline, taking into consideration latest available data since the submission of the EIS, and consider the potential changes in social impacts as a result of the proposed amendments.

Aspect	Proposed assessment approach
Economic	A revised Economic Impact Assessment will be prepared to support the amendment report to take into consideration the proposed amendments to the Project and subsequent changes in local, regional and State benefits of the Project.

Other Matters

Some aspects of the Project amendments are anticipated to have either the same or lesser impact. Accordingly, a qualitative review of the following aspects will be considered within the amendment report:

- Any changes to impacts to items of Aboriginal cultural heritage;
- Any changes to traffic and impacts to the local traffic network as a result of the proposed amendments, noting that no material changes to construction or operational workforce is proposed as part of the amendments;
- Changes to rehabilitation objectives and land use as a result of changes in the Project's final landform design; and
- Any changes to visual impacts resulting from changes to the Project's final landform.

5 Consultation

Consultation Undertaken

As part of the detailed review of the Project, HVO consulted with both DPHI and Environment Protection Authority (EPA) on the proposed amendments described above, outlining the proposed significant reduction in GHG emissions. The EPA acknowledged that the revised project design presents significant avoided emissions compared with the original project design. The EPA also noted that the revised design no longer has emissions peaking in the 2040s, which is also an improvement with respect to tracking to net zero targets.

Proposed Consultation

Further consultation will be undertaken with relevant government agencies and stakeholders on the proposed amendments and associated changes in impacts throughout the preparation of the amendment report. Key consultation will include engagement with:

- DPHI – Assessment branch;
- EPA;
- CPHR;
- NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) – Water Group;
- Resources Regulator and the NSW Mine Development Panel;
- Heritage NSW;
- Transport for NSW;

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- Singleton Council;
 - Muswellbrook Shire Council;
 - Registered Aboriginal parties (RAPs);
 - HVO Community Consultative Committee (CCC);
 - Community and potentially affected landowners; and
 - Commonwealth DCCEEW.

6 Conclusion

In response to submissions received on the Project and recommendations of the IEAPM, HVO proposes to seek approval to amend the Project pursuant to Section 37 of the EP&A Regulation to:

- Reduce the project mine plan to avoid coal extraction within gas Domain 1 at HVO North and reduce the total ROM coal extraction from the Project by approximately 220 Mt.
- Reduce the maximum annual ROM coal production rate from 42 Mtpa across the HVO Complex to a maximum of 26 Mtpa consisting of:
 - HVO North up to 22 Mtpa; and
 - HVO South up to 13 Mtpa.
- Reduce the proposed life of mining operations at HVO North by five years from 2050 as currently proposed to 2045, and at HVO South by three years from 2045 as currently proposed to the end of 2042.
- Remove approval for the construction and operation of the LCPP and associated rail facilities, which is currently approved under the HVO South Project Approval.

An amendment report to support the amendment application will be prepared in accordance with the *State significant guidelines – preparing an amendment report* (DPE 2022). HVO anticipate an amendment report will be available for submission to DPHI in mid-2025.

HVO seeks any feedback from DPHI on the proposed assessment approach for the amendment report as detailed above. In the meantime, if you have any questions or require any further information on the proposed amendments, please contact me on the details below.

Yours sincerely,



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