

Mr Jason Martin  
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5 July 2024

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**Subject: Consideration of *Climate Change (Net Zero Future) Act 2023*, *Scope 3 Emissions and Mining Panel Advice***

Dear Mr Martin

The Planning Secretary (Ms Kiersten Fishburn) has recently received correspondence from the Hon Paul Scully Minister for Planning and Public Spaces, which had enclosed correspondence from the Hon Penny Sharpe MLC, Minister for Climate Change, Minister for Energy, Minister for Energy, Minister for the Environment and Minister for Heritage regarding the *Climate Change (Net Zero Future) Act 2023* (Climate Change Act) which enshrines in law NSW emissions reduction targets.

The correspondence highlighted that the latest projections by the NSW Department of Climate Change, Energy, the Environment and Water confirms that NSW is not currently on track to meet its 2030 and 2035 targets without further action by Government and the private sector.

In his letter to the Planning Secretary, Minister Scully has reiterated Minister Sharpe's request that the assessment of high-emitting projects have regard to the Government's emission reduction targets, and the guiding principles within the Climate Change Act, along with the EPA's (Draft) Climate Change Guidelines for High Emitting Projects, noting the avoidance-mitigation-offset hierarchy principles within this guideline.

We note that Glencore has recently provided the Department with high-level consideration of the guiding principles (in its letter dated 28 March 2024), however we now request that you provide detailed consideration of each of the guiding principles, and demonstrate how the project is consistent with each.

Further to this, noting the purpose of the Climate Change Act gives effect to the international commitment established through the 2015 Paris Agreement, the Department requests that you provide further information demonstrating how the Hunter Valley Operations Continuation Project (the project) fits within Glencore's *2024-26 Climate Action Transition Plan*. In particular, the action plan's consideration of Scope 3 emissions.

Lastly, the Department has recently received advice from the Independent Expert Advisory Panel for Mining (the Panel) regarding the greenhouse gas (GHG) emissions associated with the project, in particular, whether the proposed GHG avoidance and mitigation measures proposed are considered adequate for maximising emissions abatement.

In its advice to the Department, the Panel has concluded that to reduce GHG emissions during the 2040's when mining would be predominantly in Domain 1 and net zero targets are being ratcheted down significantly, that only targeting gas extraction in the lower 2 zones would have limited utility in reducing GHG emissions, noting that the majority of the fugitive emissions would be from Zone 2. The panel also agrees with the findings of the Coalbed Energy report that it would be unlikely to be technically feasible to extract gas from Zone 2 and that, apart from offsetting to meet a net zero target, to significantly reduce GHG emissions during this period would be to not mine Domain 1, or at least the deeper Zones 2-4.

The panel report also highlights the importance of commencing gas extraction trials earlier in the mine life given the significant volumes of fugitive GHG emissions in Zones 3-4 in Domain 3, noting the uncertainty associated with extracting and converting methane to CO<sub>2</sub>, and operational issues in a multi-seam environment for gas extraction and conveyance.

In light of the correspondence from the Minister, and the conclusions of the panel, the Department also requests that you provide a response to the Panel's advice, including information on the implications for the project of avoiding all coal extraction from Mining Domain 1. In particular:

- practical implications for mine planning, design and progression;
- the financial implications (i.e. viability of the project if this area were to be avoided);
- implications for GHG emissions (i.e. quantity of all Scope 1 emissions that would be avoided); and
- any other environmental implications (e.g. avoidance of disturbance, impacts on the groundwater system, rehabilitation and final landform considerations, etc).

Pending this review, it may be appropriate to then request and submit an amended application incorporating a revised mine plan.

If you have any questions, please contact me on 0477 345 626 or via email at [stephen.odonoghue@planning.nsw.gov.au](mailto:stephen.odonoghue@planning.nsw.gov.au).

Yours sincerely,



Clay Preshaw

Executive Director Energy, Resources and Industry Assessments