



Our ref: DOC25/1004627-2

23 December 2025

Mr Jack Turner
Department of Planning, Housing and Infrastructure
PARRAMATTA NSW 2124

Via Major Project Portal

EPA Advice on Additional Information to Amendment Report – HVO North and HVO South Continuation Projects – SSD 11826681 & SSD 11826621

Dear Mr Turner

I am writing in response to your request for the NSW Environment Protection Authority (EPA) to review the additional information provided in response to the EPA's comments on the Amendment Report for the proposed Hunter Valley Operations Continuation Project North and South Open Cut Coal Continuation Projects (the Project) (SSD-11826681 and SSD-11826621).

The EPA has reviewed the following documents:

- Letter to DPHI Subject: *EPA Advice on Amendment Report – HVO North and HVO South Continuation Projects – SSD 11826681 & SSD 11826621*, Hunter Valley Operations, 8 October 2025
- *Hunter Valley Operations Continuation Project Amendment Submissions Report (Version V3)*, EMM Consulting, 21 November 2025.

Greenhouse gas emissions

The EPA notes the estimated emissions have been provided in financial years as required in the NSW Guide for Large Emitters (the guide) and clarifications were made on biodiesel fuel considerations and the proposed reduction rates for the period between 1 July 2029 to 1 July 2030.

The EPA notes the amended project considered comments made by the EPA in its letter dated 22 May 2024 (DOC23/994609-8) and the GHG mitigation hierarchy outlined in the Guide by avoiding, reducing, and offsetting. The amended project proposes to avoid mining in the gassiest domain (Domain 1), reduce the coal extraction rate and mine life, reduce diesel consumption through optimisation of haulage, and purchase offsets.

The EPA advises that in comparison to the original proposal described in the EIS (EMM, 2022) and Submissions Report (EMM, 2023), the Amendment Report presents a reduction in its projected scope 1 and scope 2 greenhouse gas gross emissions by 11.5 Mt CO₂-e to a total gross emission of 15.3 Mt CO₂-e.

The EPA has sought specialist advice from the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Net Zero Emissions Modelling (NZEM) team on the GHG assessment for the amended project. Based on the latest 2024 New South Wales GHG projections

NSW Environment Protection Authority

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at the time of their assessment (using the 'approved and under assessment' scenario), the Project's maximum gross emissions impact occurs in Year 2041 and would be 1.5% and 2.4% of the NSW total business as usual and current policy emissions respectively.

The EPA also notes that the Applicant has committed to purchasing additional carbon offsets and Safeguard Mechanism Credits that reduce net emissions by more than the project's Safeguard Mechanism obligations. By committing to go beyond the Safeguard Mechanism obligation, the total scope 1 net greenhouse gas emissions of the amended project are 7.97 Mt CO₂-e over the life of the amended project (2027-2045).

The EPA notes the independent expert reviewer's summary that the proposed GHG mitigation measures are consistent with the NSW EPA mitigation hierarchy and have considered economic and operational feasibility, with offsets considered as a last resort. The reviewer's findings also state that the GHG Assessment provided evidence of investigation and commitment to adopt several measures in the EPA's draft Greenhouse Gas Mitigation Guide for NSW Coal Mines, which was on public exhibition at the time of lodgement of the amended project.

With the additional offsets that the project is proposing to purchase beyond what is required by the Commonwealth Safeguard Mechanism, the amended project's net emissions follow a downward trajectory that is consistent with the NSW emissions reduction trajectory.

The EPA highlights that any proposed offsets must be based on methods that are clear, enforceable and accountable. Offsets sourced from NSW-based projects are preferred as offsets outside NSW do not currently count towards the NSW emissions reduction inventory.

In addition, the EPA notes the Applicant's commitment to trial gas pre-drainage and review technological measures to reduce emissions every 3 years, including studies on the use of alternative fuels such as biofuels and hydrogen, and that the number of offsets required by the project have been reduced compared to the original proposal.

The EPA considers that the greenhouse gas (GHG) assessment is prepared consistent with the EPA's Guide for Large Emitters and that the proposed GHG mitigation measures meet the principles of the Guide.

If the project is approved, the EPA's recommended conditions are provided in **Attachment A**.

If you have any questions about this request, please contact Darren Wallett via email at environmentprotection.planning@epa.nsw.gov.au.

Yours sincerely



Rob Hogan
A/Director Strategy and Policy
NSW Environment Protection Authority

Attachment A – Recommended Conditions – HVO North and HVO South Continuation Projects Amendment Report (SSD 11826681 & SSD 11826621)

Greenhouse gas emissions

Matters to be addressed with conditions

If the project is approved, the EPA recommends that DPHI consider the following in any conditions of consent:

1. Gas pre-drainage trial

- (a) The Applicant is to develop a scope of work for pre-drainage trial in Domain 3 in consultation with stakeholders.
- (b) The Applicant must submit the gas pre-drainage trial scope to the Planning Secretary within 2 years of the issue of this consent.
- (c) The scope of work must be submitted to the Planning Secretary for approval.
- (d) The Applicant must implement the gas pre-drainage trial following the Planning Secretary's approval of the scope.

2. Review of emission reduction technology

- (a) The Applicant must submit an updated GHG mitigation plan that demonstrates review of GHG mitigation technologies every 3 years from issue of this consent.
- (b) The review must assess the feasibility of GHG mitigation technology and identify measures to be applied to the project.