Level 3 175 Scott Street
Newcastle NSW 2300
ABN: 28 141 736 558
02 4907 4800
www.emmconsulting.com.au

8 October 2025

Peter Walsh
HV Operations Pty Ltd
1011 Lemington Road
Ravensworth NSW 2330

Re: EPA advice on Amendment Report - HVO Continuation Project (SSD-11826681 and SSD-11826621)

Dear Peter,

I refer to the NSW Environment Protection Authority's (EPA) advice to the HVO Continuation Project (the Project) – Ref: DOC25/73525-12. In the advice, the EPA requested additional information in relation to the predicted greenhouse gas (GHG) emissions, and air and noise impacts of the Project. This letter provides a response to the information requested on GHG emissions. A separate response will be provided in relation to the air and noise impacts.

Each comment from the EPA is provided in the boxes below, followed directly by a response.

1. Clarification of reduction rates for the period between 1 July 2029 to 1 July 2030

The project is estimated to result in Scope 1 emissions above 100,000 tonnes CO2-e per year for multiple years. This means the project will trigger obligations under the Safeguard Mechanism including maintaining their net emissions at or below their baseline. Baselines will decline in line with set reduction rates under the Safeguard Mechanism.

A summary of the Applicant's obligations and commitments in the GHG assessment is provided below:

Safeguard reduction rate

- 4.9% per year from 1 July 2023 to 1 July 2029
- 3.285% per year thereafter.

HVO's proposed reduction rate

- 5.9% per year from 1 July 2023 to 1 July 2029.
- 4.0% per year from 1 July 2030 to 1 July 2034.
- 2.58% per year thereafter

The Applicant intends to adhere to higher declining rates than those set by the Safeguard Mechanism until 1 July 2034. However, it appears there is typographical error indicating a gap in the commitment between 1 July 2029 to 1 July 2030, which should be clarified.

The EPA recommends DPHI request the Applicant clarify the proposed reduction rates for the period between 1 July 2029 to 1 July 2030.

We confirm that there is no gap in the declared decline rates between 1 July 2029 and 1 July 2030 as described on **Page 46** of the GHG assessment prepared as part of the HVO Continuation Amendment Report, as the reduction rates listed relate to the financial years.

For clarity, a reworded extract would say (with additional words in bold):

> *HVO proposes that the emissions from the amended Project would be managed in a way that is consistent with HVO's obligations under the Safeguard Mechanism. The decline rate for emissions under the Safeguard Mechanism (i.e. the baseline) is calculated as:*
>
> - *a reduction of 4.9% per year from* ***financial year commencing*** *1 July 2023 to* ***financial year commencing*** *1 July 2029*
> - *a reduction of 3.285% per* ***financial year*** *thereafter.*
>
> *The calculation of the baseline takes into account annual coal production.*
>
> *HVO also proposes to implement measures that go beyond its Safeguard Mechanism obligations. HVO has committed to make additional, voluntary contribution towards the NSW emission-reduction targets to reflect consideration of the NZF Act. With this in mind, HVO proposes that the emissions of the amended Project are aligned, so far as practicable, with the NZF Act emission-reduction targets, including by using offsets to reduce the amended Project's net GHG emissions where it is not feasible to avoid, reduce or substitute emissions. In effect, HVO would implement a net emissions decline rate for the amended Project that is more ambitious than the Safeguard Mechanism requirements, involving:*
>
> - *a reduction of 5.9% per year from* ***financial year*** *commencing 1 July 2023 to* ***financial year*** *commencing 1 July 2029*
>   - *1 July 2023 to 30 June 2024*
>   - *1 July 2024 to 30 June 2025*
>   - *1 July 2025 to 30 June 2026*
>   - *1 July 2026 to 30 June 2027*
>   - *1 July 2027 to 30 June 2028*
>   - *1 July 2028 to 30 June 2029*
>   - *1 July 2029 to 30 June 2030*
> - *a reduction of 4.0% per year from* ***financial year*** *commencing 1 July 2030 to* ***financial year*** *commencing 1 July 2034*
>   - *1 July 2030 to 30 June 2031*
>   - *1 July 2031 to 30 June 2032*
>   - *1 July 2032 to 30 June 2033*
>   - *1 July 2033 to 30 June 2034*
>   - *1 July 2034 to 30 June 2035*
> - *a reduction of 2.58% per* ***financial year*** *thereafter.*

2. Greenhouse gas emission estimates for financial years

The greenhouse gas (GHG) assessment acknowledged that the emissions data in the Net Zero Emissions dashboard (dashboard) are presented for financial years and that the emissions data for the Amended Project are presented for calendar years.

To be consistent with the NSW Guide for large emitters (large emitters guide) (EPA, 2025) and to enable direct comparison with the dashboard, GHG emission estimates should be provided for each financial year.

The EPA recommends DPHI request the Applicant provide the GHG emission estimates for each financial year instead of calendar year.

As noted in section 3.2.4 of the GHG Assessment, *"In NSW (and Australia) the GHG reporting convention (including the NSW Guide for Large Emitters) is aligned with financial years. However, other aspects – such as approval dates, data collection and projections – are often aligned with calendar years. In this report, GHG are reported for calendar years to maintain consistency with the format of the original activity data, which is based on HVO's planning calendar. No adjustments to the data have been made to align them to financial years."*

As stated in the EPA's response above, the projected annual scope 1 emissions for the amended Project for each calendar year compared to the NZEM dashboard were presented in Table 3.15 of the GHG assessment. Estimated annual emissions for the amended Project for each financial year compared to the dashboard are presented in Appendix A. This will enable a direct comparison on a financial year basis between the dashboard and the GHG emissions estimates for the amended Project.

Yours sincerely

Brett McLennan
Director
bmclennan@emmconsulting.com.au

Appendix A

GHG emissions in financial years

EMM
creating opportunities

Equivalent to Table 3.15 on a financial-year basis - Comparison with scope 1 emissions from NSW Net Zero Emissions Dashboard

Financial year	NSW (Mt CO_2-e/year)		Amended Project with SM baseline (Mt CO_2-e/year)	Amended Project with SM baseline + NSW decline (Mt CO_2-e/year)
	BAU	Current policy		
2026-27[(a)]	109.21	107.06	0.378	0.359
2027-28	103.45	100.75	0.685	0.640
2028-29	101.11	97.54	0.687	0.628
2029-30	87.14	82.97	0.787	0.703
2030-31	90.17	84.13	0.635	0.556
2031-32	88.26	81.19	0.706	0.606
2032-33	87.19	76.75	0.704	0.589
2033-34	73.19	61.55	0.604	0.491
2034-35	70.69	57.44	0.593	0.465
2035-36	68.33	53.47	0.556	0.437
2036-37	66.45	50.68	0.519	0.408
2037-38	64.22	47.79	0.523	0.411
2038-39	63.12	46.00	0.513	0.403
2039-40	62.60	42.70	0.365	0.286
2040-41	53.71	33.00	0.362	0.285
2041-42	53.21	32.02	0.323	0.254
2042-43	51.50	30.96	0.258	0.203
2043-44	51.09	31.03	0.182	0.143
2044-45	44.79	22.28	0.102	0.080
2045-46	45.63	23.09	0.032	0.025
2045-47	44.66	22.20	0	0
2047-48	47.39	25.42	0	0
2048-49	41.67	19.87	0	0
2049-50	39.99	18.22	0	0
Average[(b)] (Mt CO_2-e/year)	**67.03**	**52.00**	**0.396**	**0.332**
Total[(b)] (Mt CO_2-e)	**1,608.77**	**1.248.11**	**9.516**	**7.972**

Notes

(a) 2026-27 has 6 months of data in the project columns, as the amended Project is scheduled to start 1 January 2027.

(b) For the period 2026-27 to 2049-50, including years with zero emissions.