

I object to this proposal because the proponent has not adequately assessed the likely greenhouse gas (GHG) risks and cumulative impacts as required by the SEARs, and has not attempted to mitigate the likely economic, social or environmental impacts. Using our prime minister's phrase, the proposal does not stack up environmentally or economically.

The proposal represents continuing activities that are a leading cause of physical impacts already observed and experienced in Australia and documented in recent State of the Environment, State of the Climate, and UN reports. The observed impacts have led the International Energy Agency to declare that there should be no new oil, coal and gas proposals.

The Department should reject this proposal because the proponent has not complied with the SEARs, has not offered any mitigation of likely impacts, and has not adequately observed the principles of ecologically sustainable development. The likely impacts of the proposal are unacceptable and it is not in the public interest. The proposal directly conflicts with state and federal policy objectives, the federal Climate Change Act, and international commitments such as the Global Methane Pledge.

Observations on the proponent's assessment

The table presented on PDF page 5 of EIS Appendix 14 is incorrect and misleading. Additional emissions sum as 25,679,489 tCO₂-e but the table states 25,350,157 tCO₂-e, understating the additional emissions by 329,332 tCO₂-e. The scale of additional emissions is misrepresented by showing each scope as percentage of additional total emissions. It is more relevant to the assessment of this proposal and its impacts to show each scope as percentage increase on existing emissions: Scope 1 emissions are proposed to increase by 66%, Scope 2 by 241%, Scope 3 by 239%, and total emissions by 199%.

The proponent asserts on PDF page 9 of EIS Appendix 14 that: *"The owners of both Delta Coal and Delta Electricity are seeking to maximise the use of the Delta Coal assets to supply coal to the VPPS. The key objectives of the Project include... alignment of the Delta Coal approved extraction and production rate to the requirements of the VPPS..."* The proponent then defines Scope 3 emissions in Table 2.1 as *"Indirect emissions that are a consequence of the activities of the Project, but occur at sources owned or controlled by other entities (e.g. outsourced services)."* The proponent also asserts on PDF page 19 that: *"The primary source of Scope 3 emissions is product use. It is noted that VPPS is the sole user of product coal from the Project under the Planned Scenario."* The shared objective of Delta Coal and Delta Electricity, the nature of the Planned Scenario, and lifting the 'corporate veil' of their ownership structure suggest that claimed Scope 3 emissions are owned and controlled by the same entity with a high level of control and should actually be considered Scope 1 emissions of the proposal.

The proponent notes on PDF page 12 of EIS Appendix 14 that: *"calculations for incremental/additional emissions relative to approved do not take into account the maximum approved production rates under the existing consents and, in this regard, are considered to be conservative relative to emissions which could occur under a maximum operating scenario."* The proponent does not present estimated emissions under a maximum operating scenario despite the possibility that potential emissions could be far higher than assessed whether the Project is approved or not.

The proponent asserts on PDF page 19 of EIS Appendix 14 that: *“Delta Coal is not seeking approval to generate Scope 3 emissions, as they are not generated by the Project. The Planned Scenario aligns production with the current planned (and approved) life of the VPPS and therefore does not result in any increase in overall GHG emissions relative to the Project not proceeding. The assessment of Scope 3 emissions is therefore an attribution of those emissions from the VPPS that relate to coal mined from the Project and does not reflect an absolute increase in global GHG emissions.”* These statements are disingenuous at best. The proponent is correct to say they are not seeking approval to generate Scope 3 emissions. The proponent should be assessing the likely economic, social and environmental impacts of those Scope 3 emissions to assist the Department’s determination of the proposal. The proponent has made no attempt to assist the Department in this regard. The proponent claims Scope 3 emissions are not generated by the project, but includes them as indirect emissions in the emissions boundary of its own assessment. The remainder of the statements seems to be a version of the argument that someone else will supply coal to VPPS regardless of project approval (the drug dealer defence). This argument has been rejected by several recent court decisions. One key objective of the Planned Scenario for the project is to supply coal that will be combusted in NSW and create additional Scope 3 emissions in NSW (arguably additional Scope 1 emissions) which have been estimated in the proponent’s assessment. It is nonsensical for the proponent to claim no absolute increase in overall emissions by the project. The proponent’s own assessment estimates and seeks to justify these additional Scope 3 emissions without assessing their likely economic, social and environmental impacts.

The proponent briefly states the mechanism of emissions impacts on the environment in section 4.1 of EIS Appendix 14. The proponent also states that the project could be considered a large source of emissions in section 4.2. The proponent does not make any assessment of likely environmental impacts resulting from emissions by the project. The proponent only considers emissions impact on international, federal and state policy objectives in a numerical manner. The proponent claims in section 4.3 that the incremental emissions from the project represent approximately 0.0061% of the IPCC’s estimated cumulative emissions ceiling (“carbon budget”). This misleads the Department because any single project considered in isolation against global emissions will always present a relatively small percentage. The proponent should transparently assess proposed emissions compared to more relevant federal, state, industry sector, industry subsector emissions inventories, projections, or carbon budgets. For example, proposed additional emissions are 1% of Australia’s remaining emissions budget, a larger percentage than presented by the proponent. This would logically also be a progressively larger percentage if compared with state emissions, industry sector emissions, underground coal mine emissions, and so on.

The proponent asserts in section 4.4 of EIS Appendix 14 that: *“GHG emissions associated with the Project may contribute towards Australia’s future national mitigation task and may shape the mitigation priorities for the 2025-2030 NDC. It is noted however that the emissions associated with the Project are associated with generation from the VPPS which has a planned operating life to 2029. Emissions associated with the supply of coal to the VPPS and its operation will occur irrespective of whether the Project proceeds.”* The proponent does not quantify the project’s relative contribution to the national mitigation task or offer any mitigation of its own. For example, the Planned Scenario estimates additional Scope 1 fugitive emissions of 1.96 million tCO₂-e. Federal emissions projections 2022 estimates that national fugitive emissions from underground coal mines will increase by 1.95 million tCO₂-e between 2022 and 2029. The proponent proposes to take the entirety of the projected increase in fugitive emissions while relying on unknown others to provide the necessary mitigation. The proponent ignores that physical impacts are caused by the accumulation of GHGs in the atmosphere and that likely economic, social and environmental

impacts of the project will occur during the life of the project and linger long after 2029. The proponent asserts on PDF page 6 that: *“Ongoing fugitive emissions associated with legacy mining operations would be expected after this date until all relevant shafts have been backfilled and closed.”* but does not consider this in their assessment of impacts. Finally, the proponent puts forward another version of the argument that someone else will supply coal to VPPS regardless of project approval (the drug dealer defence). This argument has been rejected by several recent court decisions.

The proponent asserts in section 4.5 of EIS Appendix 14 that: *“NSW Net Zero Plan aims to capture and utilise fugitive emissions from coal mining...”, “NSW Government plans to invest in a Coal Innovation Program to reduce emissions associated with coal”, and that “Scope 1 and 2 emissions associated with the Project may contribute towards NSW’s 2030 mitigation task and closure related emissions and ongoing fugitive emissions (common to both the Project and existing approved operations) may shape the mitigation priorities for the 2030-2040 Net Zero Plan.”* The proponent concludes that *“Given the Project’s direct linkages to the VPPS and the planned cessation of mining operations in 2029, the Project is consistent with the NSW Net Zero Plan.”* The proponent does not consider any attempt to capture or utilise fugitive emissions from the project. The proponent does not offer to participate in the proposed Coal Innovation Program. The proponent does not quantify the project’s relative contribution to the state mitigation task or offer any mitigation of its own. The proponent ignores that physical impacts are caused by the accumulation of GHGs in the atmosphere and that likely economic, social and environmental impacts of the project will occur during the life of the project and linger long after 2029. The proponent does not clearly justify the assertion that the project is consistent with NSW Net Zero Plan.

The proponent claims on PDF page 33 of EIS Appendix 16 that the average present value cost of GHG emissions from the project to Australia is \$145,000 and to NSW is \$46,000. Their economic assessment does not consider additional Scope 3 emissions (arguably these should be considered additional Scope 1 emissions) despite the key objective of supplying coal for combustion in NSW. The proponent’s economic assessment method follows NSW guidelines and has been supported by the Department before. However, the method does not seem adequate given the large actual costs observed in responding to physical impacts in Australia. For example, the Richmond Valley Flood 2022 Response estimates \$150m recovery costs and \$250m loss of production costs. The Insurance Council of Australia estimates \$4.3b insured losses caused by the 2022 floods. While the entirety of these costs and losses cannot be attributed to the proponent’s existing or proposed activities, the large observed costs suggest that the proponent’s cost provision is grossly inadequate in its economic assessment.