

Name KJELL GOYER

Address 9 ROSS ST
BUNDANOON
NSW

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Attn: Executive Director, Resource Assessments Department of Planning
and Environment
GPO Box 39
Sydney NSW 2001

This is a submission to the Hume Coal Project EIS. SSD 7172

I object to this project and believe it should be rejected for the projects impact on WATER - ground and surface.

- 93 Bores on 71 properties will be affected by water drawdown. The impact on bores will remain for between 36 to 65 years, after mining ceases. (ES4.1.2)
- It is expected that some bores affected may never fully recover.
- Treatment and release into Oldbury Creek of surplus onsite mining water in years when above average rain falls. (ES4.1.1)
- Again if there is any discharge into the surface or ground water systems in the Sydney water Catchment, then the applicant must demonstrate that the development has either "a neutral or beneficial impact on water quality".
- Water used to wash coal and residual "spoil", which will be pumped back underground into mine voids, which has the potential to impact groundwater systems. ES4.1.1
- The potential impacts of the Hume Coal proposal on water and the Sydney Water Catchment must be considered within the context of the widely accepted "Precautionary Principle" which is a fundamental principle of ecologically sustainable development and which is a benchmark used in the assessment of planning in NSW.

I urge the Government to reject this project

Signed,

If you wish to maintain your privacy in this submission from the department's website please tick this box:

☐ Request your name be withheld from the list of submitters and your name and contact personal information in your submission or attachments.

☒ I have not made a reportable conflict of interest declaration in relation to this submission.

Energy security is the priority as coal generation ramps down

Energy The Finkel review's goal of reliable power is doomed so long as the two parties seek only to emphasise only their differences.



Matt Harris

The carbon emissions debate is now an energy security debate. It's like planning a kitchen renovation for 15 years – the oven has now broken but we're still arguing over whether the taps should be chrome or nickel. The Finkel report released last week is the latest attempt to reset this. It contains mostly sound ideas that have been proposed before or are already under way. The centre-piece is the proposed Clean Energy Target, a baseline and credit scheme to reward emissions reductions. It operates similar to a Renewable Energy Target, but includes partial credits to gas or, in theory, coal with carbon capture.

Since the report was released, debate has focused on the level of the CET baseline and the impact on coal. This shows that either few understand it, or the political strategy is overriding the economics. The baseline determines who earns credits and how many they earn. A CET also requires an abatement target that tells retailers how many credits they have to buy.

A higher CET baseline does not benefit coal in a relative sense. It means some credits for coal but also more credits for gas and renewables. This becomes closer in outcome to the Emissions Intensity Scheme that's endorsed by almost everyone and is Labor policy. Therefore, it would be surprising if Labor refuses to consider a CET with a higher baseline.

A lower CET baseline limits abatement options, which raises economic costs. It

becomes more like an RET in practice. All modelling shows that the EIS will be lower cost. In limited circumstances, a CET might mean marginally lower price effects, but this won't hold for higher emissions reduction targets, which the Finkel report did not consider. This is more a political rebranding than a change in the formula.

The visceral reaction about coal impacts requires facts and context. As the owner of

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an old BMW, I understand attachment to old machines. Old coal power stations also means regional jobs, which explains the genuine difficulty that politicians have with policies perceived to risk these jobs. But like an old BMW, generators become less reliable and more costly to maintain over time. Australia's ageing coal fleet will reach retirement in the coming decades.

Federal Energy Minister Josh Frydenberg recently said that "an emissions intensity scheme does punish a number of the thermal generators at a time when we need to stabilise the system, so we're not going down the path of an EIS". The Finkel modelling suggests that for current

emissions targets, coal retirements of about five gigawatts would be required by 2030 under either a CET or EIS. One-third of this, Hazelwood, has already occurred. Another third of this is listed in NSW, which AGL has announced will retire in 2022. This means that meeting current targets would require only one more significant coal plant closure by 2030.

Even leaving aside our Paris commitments, a single coal plant retirement could occur due to age and reliability even without any policy-related incentive to do so. In this context, it would be negligent if we haven't already planning for how to replace further closures regardless of emissions policies. This highlights why the priority of the policy for now should be energy security.

The sudden exit of large thermal plant at short notice is only one part of the problem and this is already occurring without an EIS or CET. Northern and Hazelwood, for example. The Finkel proposal for a longer notice period on closure aims to address this but is difficult to enforce in practice. Ideally, consumers and retailers need to contract for longer to avoid rising volatility of the investment cycle as plants exit.

The lack of notice on retirement becomes a problem due to the lack of timely new investment to replace these closures, lack of investment is caused by the policy vacuum on carbon policy. An EIS or properly designed CET would provide greater certainty for new investment to enter. It

would also reduce cost differences between existing coal and new entrant gas and renewables, which reduces price volatility around plant exits. No one will invest in capital-intensive thermal plant without the policy certainty that comes from bipartisan agreement. With the sector screaming for bipartisan certainty, energy security will be doomed if politicians focus on differentiating policy as their priority.

The Finkel recommendations won't reverse the rise in network costs that have driven price increases over the past decade. Another layer of bureaucracy in the form of an Energy Security Board, as recommended by Finkel, is unlikely to help this. It also won't reverse much of the rise in gas prices now that export markets have opened up. But the priority now should be how to replace generation that retires and how to deal with renewables growth that will continue to occur as costs rapidly fall.

The Finkel report bought the Turnbull government some time, but the onus is now back on the government to act. It would be disappointing if another report is put in the "report to government, not government policy" bin as we have been there too many times before. This won't be solved by feasibility studies.

Matt Harris is head of climate change at Frontier Economics. He designed an EIS for Malcolm Turnbull and Nick Xenophon in 2009.

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