



## HUNTER VALLEY COAL CHAIN COORDINATOR

17 March 2020

Department of Industry Planning and Environment  
Locked Bag 5022,  
PARRAMATTA NSW 2124

To whom it may concern,

**Subject: HVCCC Submission in response to MACH Energy Mount Pleasant Optimisation Project Proposal**

The Department of Industry Planning and Environment (DIPE) has requested submissions from interested parties in relation to MACH Energy's Mount Pleasant Optimisation Project Proposal currently on public exhibition.

### Role of HVCCC

The Hunter Valley Coal Chain Coordinator Limited ('HVCCC') is a company limited by the guarantee of its Members who are the coal Producers and Service Providers operating in the Hunter Valley. MACH Energy is one of 11 coal Producers in the Hunter Valley and is an HVCCC Member. The role of HVCCC, pursuant to its Objects, is to 'plan and co-ordinate the cooperative operation and alignment of the Coal Chain in order to maximise the volume of coal transported through the Coal Chain, at minimum total logistics cost in accordance with the agreed collective needs and contractual obligations of Producers and Service Providers.' Anything that impacts or has the potential to impact the movement of coal in the Hunter Valley is a consideration for HVCCC.

### Consideration

HVCCC has considered MACH Energy's Mount Pleasant Optimisation (the Proposal) in the context of the whole of coal chain, having regard to the overarching obligation of HVCCC to consider the collective needs of all Members.

According to the NSW Government's *Strategic Statement on Coal Exploration and Mining in NSW* (June 2020) the long-term global thermal coal demand outlook indicates coal remaining a critical energy source globally, supplying around one third of global electricity production. The same report anticipates this demand for the next two decades or more.

In delivering services pursuant to its Objects, HVCCC undertakes long-term capacity modelling of the coal chain and provides recommendations to its Members regarding the infrastructure and operational improvements that are required. HVCCC recently collated 10-year Producer forecasts (2021–2030) outlining an 'upside demand' profile per annum of export coal from the Hunter Valley Coal Chain. It is evident that as older mines close and or reduce production volumes, the demand for Hunter Valley coal is increasingly met by mines that are further from the Newcastle export coal terminals and beyond Muswellbrook, including the Proposal.

The 10-year upside demand forecast volumes provided to HVCCC include assumptions from MACH Energy aligned to extending the life of the open cut mining operations. HVCCC notes that the Proposal (up to 17Mtpa of Run-Of-Mine coal to be transported by rail) would, if approved, increase the potential total throughput of the Hunter Valley Coal Chain, which accords with NSW Government and Coal Chain Members' upside demand forecasts.



Further, additional export volume to be transported to the terminals by rail would occur around the time when older mines close and or reduce production volumes, which accords with current ARTC track contract volumes. However, HVCCC has not specifically modelled the Proposal and therefore makes no comment on the feasibility or implications for the Hunter Valley Coal Chain and its Members.

Please contact me if you require further information.

Yours sincerely,

Patrick Cooper  
Chief Executive Officer