Nic Clyde
Sydney
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Submission - Newstan Mine Extension Project

Thank you for the opportunity to make a submission on the Newstan Mine Extension Project. I understand the Project aims to extract up to 25.9 Mt of coal at a maximum rate of 4 Mtpa.

I oppose / object to this Project for reasons summarised and then outlined in more detail below.

My overall position is that this project should not go ahead because that it the clear position of the science. It is also the unambiguous position of the International Energy Agency. In addition, the proponent has failed to establish a clear and compelling strategic need for this Project.

Recommendations

1. Refuse consent.

2. If the Minister for Planning's delegate determines to approve this development, then this Project – at a minimum - should be required to purchase 100% renewable energy to supply it's electricity needs and entirely eliminate its Scope 2 GHG emissions. Any Scope 1 emissions which cannot be mitigated on site by the proponent, should be 100% offset via a condition of consent which requires Australian Carbon Credit Units to be purchased. Any approval for this mine should also expire upon closure of Eraring Power Station's coal-fired units.

Summary

- Science, global climate policy, public opinion and leading global institutions such as the International Energy Agency all identify that new coal mines and coal mine expansions are not consistent with a safe climate and cannot be approved / built.

- The UN says OECD countries – including Australia – must phase coal power out by 2030.

- A strategic need for this project has not been established. Why does NSW need a new mine expansion approval to 2037 when the principal customer, Eraring Power Station's demand for this coal appears to be already diminishing and may likely not exist at all by the end of this decade as Eraring closes down?

- Neither the EIS nor the Economic Assessment has established a compelling dependency between Eraring Power Station and this mine development.

- Under a best-case scenario, this project would add a minimum of 52,301 tonnes of additional Scope 1 and 2 GHG emissions to NSW's GHG inventory per annum at a time when the entire world is about to gather to agree on urgent ways to reduce emissions by as much as possible by as soon as possible.

- Centennial claim they will flare methane to reduce emissions, but will they? If the company simply decides that it has 'capital constraints' or that methane concentration levels are lower than expected in certain parts of the coal seam, or if there is some sort of other problem with the measure, then there is a very real chance that this may not happen. Conditions of consent on Scope 1 and 2 emissions in NSW are weak, ineffective and generally unenforceable (see Professor Ian Lowe's report for more information).[1]

- There does not appear to be any information in the materials before NSW DPIE on likely GHG emissions from this Project post-mining.

Principal objections with this Project proposal

1. **The IEA global pathway to net zero sees no new fossil fuel projects approved in order to avoid 'the worst effects of climate change'.**

   In May 2021, the International Energy Agency (IEA) released a comprehensive study of how to transition to a global net zero energy system by 2050. The IEA global pathway to net zero sees no new fossil fuel projects approved in order to avoid 'the worst effects of climate change' and retain a chance of limiting global temperature rise to 1.5°C.

   > *"Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required."*[2]

2. **The IEA's World Energy Outlook 2021 release on 13 October 2021 says that "[a]ll scenarios that meet climate goals feature a rapid decline in coal use."**[3]

3. **The UN says OECD countries – including Australia – must phase coal power out by 2030.**[4]

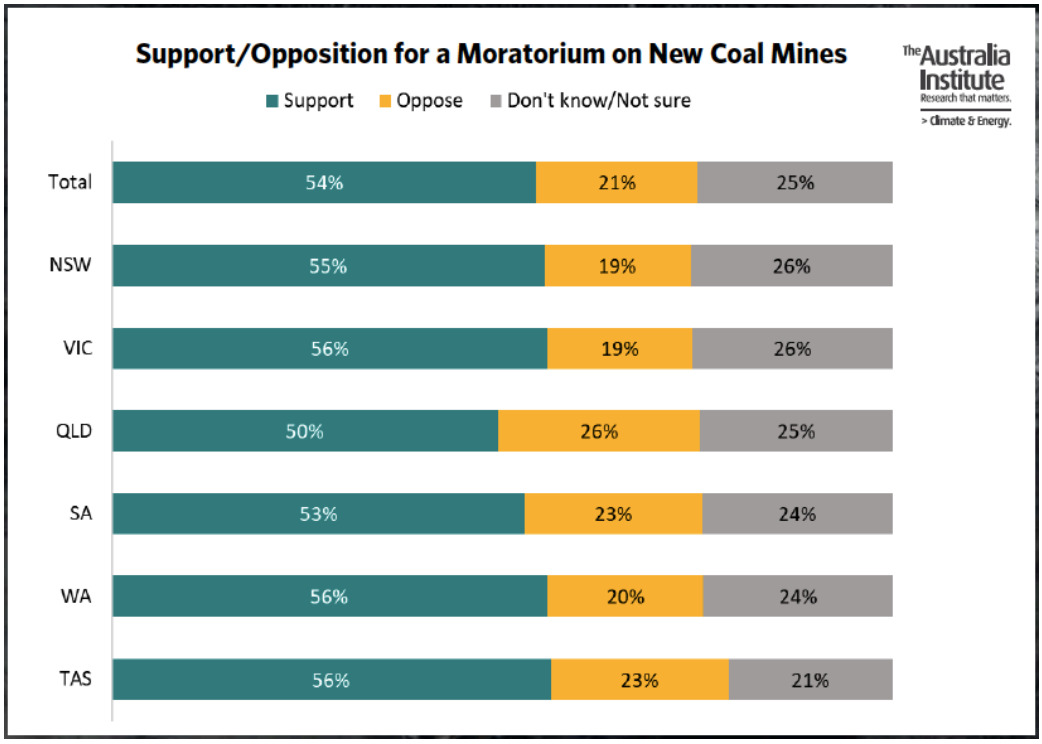
4. **Majority public opinion is against new coal mines and new coal mine expansions in Australia.**

   New research - Climate of the Nation 2021 - published by The Australia Institute in October 2021 found that 66% of Australians think the Australian Government should stop new coal mines.

   - Three-fifths of Australians (60%) support Australia following the IEA pathway, and not approving new gas, coal, or oil projects, with one-fifth (20%) opposed.

[1] New expert analysis reveals NSW IPC has "comprehensively failed" to mitigate greenhouse emissions Published: July 29, 2021, https://www.lockthegate.org.au/expert_analysis_mining_greenhouse_emissions
[2] IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector
[3] International Energy Agency | World Energy Outlook 2021
[4] ANU Newsroom, 6 SEPTEMBER 2021, UN's top climate adviser says Australia must phase out coal, https://www.anu.edu.au/news/all-news/un%E2%80%99s-top-climate-adviser-says-australia-must-phase-out-coal

- The majority of Australians (54%) support a moratorium that would stop Australia building new coal mines or expanding existing ones, more than twice the number of respondents who oppose a moratorium (21%).



5. A strategic need for this project has not been established. Why does NSW need a new mine expansion approval to 2037 when the principal customer's demand for this coal appears to be already diminishing and may likely not exist by the end of this decade as Eraring starts to close down?

- The Newstan Mine Extension Project – if approved early 2022 – would mine coal to 2037 (69% of which would be thermal coal).

- The economic assessment for this project says that the "principal customer" of this mine is Eraring Power Station.

> *"The mine will produce two coal products. These are a semi-soft coking (metallurgical) coal product for export (approximately 31% of total saleable production) and a thermal coal product (69% of saleable production) for sale to Newstan Colliery's principal customer, Eraring Power Station (owned and operated by Origin Energy)."* [5]

- In 2021, Origin Energy said they will begin shutting down Eraring in 2030.[6] Origin says it is changing the way it runs Eraring *"to better position it for increasing renewables"*.[7] The company has announced a program that *"will not only help support the introduction of more renewables but will also result*

[6] Giles Parkinson 18 May 2021, Origin to close first unit of Australia's biggest coal generator in 2030, https://reneweconomy.com.au/origin-to-close-first-unit-of-australias-biggest-coal-generator-in-2030/
[7] Origin Energy 2021 Annual Report, https://www.originenergy.com.au/wp-content/uploads/annual_report_fy2021.pdf

in a reduction in coal consumption which in turn will help reduce emissions." Less than 3 months ago, Origin wrote down the value of its generation assets by $583 million post-tax. Eraring accounts for the bulk of this write-down.

- The NSW Minister for Energy says that NSW can 'absolutely' stop using coal power by 2030.[8]

- RepuTex modelled the potential for NSW to achieve an energy transition consistent with the Paris Agreement. This analysis described a scenario where the first Eraring Unit closes down in 2024, with the last closing in 2028.

    - RepuTex was engaged by the Nature Conservation Council to analyse the potential for NSW to achieve an energy transition consistent with the Paris Agreement, pursuing efforts to limit the global temperature increase to 1.5° Celsius (C) above pre-industrial levels by transitioning to 100 per cent renewable energy generation by 2030. This analysis modelled the first Eraring Unit closing in 2024, with the last closing in 2028. [9]

Figure 9: Indicative coal-fired unit closures modelled in RE100 scenario

Closure Date	Closed permanently (MW nameplate)	Modelled as units
April 2022	500	Liddell4
April 2023	1,500	Liddell1,2,3
April 2024	720	Eraring1
April 2025	660	Vales Point1
Sep 2025	660	Vales Point2
Sep 2026	720	Eraring2
Sep 2027	2,040	Eraring3, Mt Piper1&2
Sep 2028	720	Eraring4
Sep 2029	1,370	Bayswater1&2
Apr 2030	1,370	Bayswater 3&4

- This Project proposes to mine principally thermal coal, principally for Eraring Power Station until 2037. The proponent needs to explain why this coal will be needed by Eraring when it is likely that Origin may begin phasing out its units from 2024-25 onwards.

6. Neither the EIS nor the Economic Assessment establish a compelling dependency between Eraring Power Station and this mine development.

- The EIS does say that this project could provide a *"secure coal supply"*, but there is no evidence about how significant this supply would be (ie as a percentage of total coal supply required to run the power station) nor for how long the mine would supply the power station. These issues are not

[8] https://www.theguardian.com/australia-news/2021/sep/10/nsw-can-absolutely-stop-using-coal-power-by-2030-energy-minister-says

[9] RepuTex, COST AND RELIABILITY ANALYSIS OF A PARIS-COMPLIANT ENERGY TRANSITION IN NSW, November 2020, https://d3n8a8pro7vhmx.cloudfront.net/natureorg/pages/3230/attachments/original/1632969245/reputex_cost-and-reliability-analysis-of-a-paris-compliant-energy-transition-in-nsw-1220-rev2-3.pdf?1632969245

mentioned at all in Section 1.2.4 of the EIS: 'Relationship to Eraring Power Station and Eraring Ash Dam'.

- The September 2020 Economic Assessment is also vague about the dependence of Eraring on this Project and is full of qualified statements:

> *"Eraring Power Station may be negatively affected if the project did not proceed. Alternative suppliers may be located geographically further from Eraring Power Station than Newstan Colliery, and probably unlikely to access the existing transport infrastructure (conveyors and private haul roads). This may result in increases in the cost of alternative supply. In addition to the direct cost to Origin Energy/Eraring, there is the prospect that the additional cost may be passed on to electricity consumers, thereby affecting them also. Alternative suppliers may also produce additional externality costs associated with the alternative transportation methods and distances required to provide supply."*

7. **The NSW Government has a policy to cut GHG emissions by 50% by 2030. Under a best-case scenario, this project would add 52,301 tonnes of additional Scope 1 and 2 GHG emissions to NSW's inventory per annum.**

   - Under a best-case scenario, this project would add 52,301 tonnes of additional Scope 1 and 2 GHG emissions to NSW's inventory.

   - Under a worse-case scenario, flaring of fugitive emissions will not occur and an additional 3,629,819 t CO2-e of Scope 1 GHGs will be emitted.

   - Approval would create a vested interest in prolonging the combustion of coal at Eraring beyond its earliest viable closure date, which is very clearly not in the public interest.

8. **Centennial claim they will flare methane to reduce emissions, but will they?**

   - Scope 1 and 2 Greenhouse gas emissions from coal mining in NSW are equivalent to around 12% of NSW's current GHG inventory, and are greater than all emissions in NSW from 'Industrial Processes and Product Use'.

   - Generic requirements that coal mines should implement 'reasonable and feasible' measures to reduce or minimise GHG emissions are failing to produce actual emissions reductions. Reasonable and feasible measures like the use of renewable energy to avoid Scope 2 electricity emissions are routinely dismissed or deferred or investigated, rather than being implemented.

   - The NSW IPC's Dendrobium panel made the following observation - in their 5 February 2021 SoR (point 297, pg 72) for refusal of the Dendrobium Extension project:

     "Dendrobium Mine has an existing 'Greenhouse Gas & Energy Efficiency Management Plan', which already makes provision for flaring of drained mine gases. However, the Applicant is yet to install flaring infrastructure in any of the mine's current five mining areas". The Applicant has stated that the reason for this is that the gas content (including methane) is low in

Areas 1, 2 3A and 3B (Wongawilli Seam) and that the demonstration of this is that no gas drainage infrastructure has been needed. Area 3C (Wongawilli Seam) has a high gas content, but the gas is rich in CO2, not methane. While gas drainage will be required for mine safety reasons in Area 3C, it may not be possible to flare any of this gas because it is so low in methane (ARP 6.9.21)."

Before anyone asks "well if methane / CO2 content at Dendrobium is low, what's the problem?" Bear in mind that Scope 1 emissions from this mine in a "low" methane / CO2 environment, were still significant in 2019/20 at 188,028 tonnes CO2-e.

9. **An additional reason to refuse consent for this project is the burden of post-mining GHG emissions.**

There does not appear to be any information in the materials before NSW DPIE on likely GHG emissions from this Project post-mining. The proponent should estimate / quantify likely levels of GHG emissions and propose how it intends to manage these.