Shoalhaven Starches Expansion – Modification 23 Gas-fired Co-generation Plant Project

Summary

This project is to be rejected as it fails on multiple grounds to be acceptable as a State Significant Project. The prime reason is that it's unacceptable environmentally as it will add significantly to Greenhouse Gas (GHG) emissions thus worsening the impacts of global warming – it's also at odds with the NSW Government 2030 commitment to reducing carbon emissions by 50%. It also fails on economic, risk, social and process grounds.

It's recommended that the project be rejected and the proponent be encouraged to resubmit a revised proposal based on alternative power sources, especially renewables which have attributes such as unlimited supply, low and reducing cost and no (generation) carbon emissions – which are the very opposite to the huge risks of using methane gas for this project.

Environmental

The use of methane gas from fossil fuels as proposed will only add to methane and carbon dioxide emissions – something, which in a new project such as this, can readily be avoided given that the science tells us that every increment to emissions adds to GHG thus worsening the already disastrous and catastrophic impacts of climate change. Moreover, this and every other State significant project needs to be considered in the light of the NSW Government 2030 commitment to reducing carbon emissions by 50% - clearly this project is antithetical to that policy and commitment.

The source of methane gas in the life of the project is a significant additional environmental problem as with the Bass Strait supply severly curtailed from 2025 (AEMO predictions) it's very likely that with demand exceeding supply thereafter the shortfall in methane gas would be coming from imported gas or fracking projects. The science also tells us that fracking creates hazardous impacts on groundwater with the use of highly toxic 'extraction' chemicals together with the excessive use of artesian and groundwater supplies – this, in an era of global warming that has already resulted in much less water for irrigation, pastoral, human, industrial and environmental flows, i.e. it threatens livelihoods. By adding to demand for methane gas this project would encourage the development of new gas fracking projects and the construction of new gas pipelines from northern Australia – this will result in yet further carbon emissions: methane from fugitive emissions and CO2 from the compression process that is required for the gas to be transported in pipelines across many thousands of kilometres.

Economic

It's well-established and best practice in micro-economic analysis at the national and down to the firm level not to subsidise uneconomic activities (e.g. by way of grants which this project has already attracted) – this and all fossil fuel based activities fail to include the externalities related to the multiple costs imposed due to the impacts of GHG on climate change with more bushfires, floods, sea-level rise, droughts, pandemics and expected mass migrations of humankind, etc. The lack of a price on carbon means that the true cost of methane gas is not being considered and this also means that subsidies further distort State and national productivity and economic performance as limited resources are artificially diverted from economic activities to uneconomic ones. So, it's poor public policy practice.

The cost of methane gas is already much higher per unit of production than alternative power sources for this project. Most global expert analysis indicates that methane gas prices will continue to rise. This imposes an existential threat to this project and the proponent's business and it has the real potential to be economically wasteful – again, the antithesis of NSW Government policy.

Another massive project risk is the high likelihood of a (rising) price on carbon in the life of the project – as international prices prevail locally, carbon pricing applied internationally will see higher methane gas prices, regardless of any domestic measures on carbon pricing.

Social

The risk factors identified above pose a significant threat to the job security of employees and the large number of contractors of the proponent business – the potential for loss of adequate methane gas supply and unsustainable gas prices could pose an existential threat to the business or at the very least contraction and a massive re-powering project with potentially dangerous debt (assuming that could be obtained).

The impact of major job losses (Shoalhaven Starches is the largest employer in the Shoalhaven) in an already high unemployment area would be disastrous, worsening existing social issues. This is also at odds with NSW Government policy.

Process

Ignoring Scope 2 carbon emissions from the Project is bad practice both for the assessment and consideration of this project and also because the science tells us that it's the cumulative effect of extra emissions that worsens global warming and its impacts. I submit that the process needs to be entirely, not partially evidence-based and consequently that the assessment be redone to incorporate Scope 2 carbon emissions from the Project.

Conclusion and request

I oppose this Project and request that it be rejected. There has been inadequate consideration of readily alternative power sources for the proponent's business and Project developments.

I strongly suggest that the proponent be requested to redo the Project proposal in respect of power sourcing and consider the use of renewables which would address the risks and issues inherent in this Project including:

- Endless supply (solar, wind, etc)
- No generation carbon emissions
- No project specific subsidies
- Lower Project power costs (now and in the future)
- The opportunity to generate renewable power locally (potentially avoiding networking costs and mitigating the risk of supply disruption) and which would create local economic benefits in investment, jobs and keeping money in the local economy (i.e. dollars not being paid to external and foreign companies for power).