

R030/15 - Russell Vale Colliery Underground Expansion Project Review

SUBMISSION TO PAC SECOND REVIEW 8/12/15

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On behalf of

Wollongong Climate Action Network

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INTRODUCTION

Wollongong Climate Action Network is a group of Wollongong residents. It has 186 members. It is not part of any political party and has no financial or legal connection with any business or trade union. This submission is in response to information provided as part of the ongoing R37 process.

REQUIREMENT TO BALANCE THE IMPACTS

The PAC is obliged by the Minister to consider the proposed project under the State Environmental Planning Policy Amendment *as amended on 2 September 2015*. The Sept 2 amendment removed clause 12AA which required the economic significance of the resource to be the PACs principal consideration.

Clause 14 (1) c) of the amended Mining SEPP requires that “Greenhouse emissions are minimised to the greatest extent practicable”

(Reference <mailto:http://www.legislation.nsw.gov.au/maintop/view/inforce/epi+65+2007+cd+0+N>)

Clause 14 (2) says that the PAC must consider emissions (including downstream emissions) and must do so having regard to any applicable State or national policies, programs or guidelines concerning greenhouse gas emissions.

NATIONAL POLICY IS TO PARTICIPATE IN INTERNATIONAL EFFORT TO REDUCE GREENHOUSE EMISSIONS

At the COP21 at Paris, Australia will sign up to an agreement about climate change.

The first goal is “In order to strengthen the global response to the threat of climate change , parties agree to take *urgent* action and enhance cooperation and support so as to hold the increase in global average temperature well below 2deg C above preindustrial levels by ensuring deep reductions in global greenhouse gas emissions”.

(Reference <mailto:http://www.npr.org/sections/thetwo-way/2015/12/05/458575455/nearly-200-nations-agree-on-climate-change-draft-plan-at-paris-summit>)

The Federal Government has also allocated large sums of money to its Direct Action Plan.

The Federal government has committed to a 26-28% reduction in carbon emissions by 2030.

(Reference <mailto:https://www.environment.gov.au/climate-change/publications/factsheet-australias-2030-climate-change-target>)

It is clear from these facts that it is Federal government policy to part of an international effort to reduce greenhouse gas emissions, and that substantial taxpayer funds and government effort has been allocated for this purpose.

The PAC is required to consider the Russell Vale proposal in the light of this policy.

EXPOSURE TO SANCTIONS

In the light of the international consensus on the need to cut greenhouse emissions , persistence with projects like this will bring Australia into disrepute and could expose us to retaliatory trade sanctions and tariffs. This is an economic effect on Australia which the PAC should consider.

(Reference http://thenewdaily.com.au/news/2015/08/11/analysis-australia-flirting-trade-sanction-danger/)

ERROR IN GREENHOUSE EMISSIONS CALCULATION

I dispute the “scope 3” emissions estimate for use of saleable coal for power generation quoted in table 12 of the GNRE Preferred Project Report

Table 12 - Scope 3 Source Emission Estimates for the Peak Year of Production

Source	Volume	Activity Level / Conversion Factor	Scope 3 Emission Factor	Estimated Emissions (t CO ₂ -e)
Road transportation of ROM coal from the site to PKCT	2,150,000 tpa ⁽¹⁾	15.3km one way journey (1 truck movement) 113,158 truck movements/annum ⁽²⁾	0.546L/km ⁽³⁾	2,492
Shipping transportation of ROM coal from PKCT to India	2,150,000 tpa	Assumed distance of journey: 12,000km 13 shipping journeys per year ⁽⁴⁾	0.000007 tCO ₂ per tonne km ⁽⁵⁾	192,706
Use of saleable coal as coking coal for steel manufacturing	1,126,600 tpa used as coking coal	30 GJ/tonne ⁽⁶⁾	0.09022 (tonnes CO ₂ -e/GJ) ⁽⁶⁾	3,049,255
Use of saleable coal as thermal coal for power generation	614,900 tpa used as thermal coal	22.5 GJ/tonne ⁽⁶⁾	0.0087 (tonnes CO ₂ -e/GJ) ⁽⁶⁾	120,367
Indirect emission for fuel extraction associated with diesel supply	2,034kL	38.6 GJ/kL	0.0053 (tonnes CO ₂ -e/GJ) ⁽⁷⁾	416
TOTAL				3,365,236
<ol style="list-style-type: none"> 1. Peak production is calculated to be 2.15Mt of ROM coal per calendar year 2. Based on 2.15Mt of ROM coal hauled per year at an average load of 38 tonnes ROM coal per trip. 3. Source – Table 4: Fuel consumption rates for ‘Heavy Trucks’ in <i>AGO Factors and Methods Workbook 2006</i>. ‘Heavy Trucks’ are assumed to be ‘articulated trucks’ by the Workbook 4. Assuming shipping load capacity of 175,000 tonnes DWT 5. UK, Department for Environment Food and Rural Affairs (Defra) greenhouse gas (GHG) conversion methodology 2008. Assuming large bulk carrier. 6. Source - Table 1: Fuel combustion emission factors (Stationary Energy) from <i>National Greenhouse Accounts Factors—July 2012</i> 7. Source – Table 39: Scope 3 emission factors – liquid fuels and certain petroleum based products in the <i>National Greenhouse Accounts Factors—July 2012</i> 				

Footnote 6 of this table says they have used table 1 of the National Greenhouse accounts

(Reference <mailto:https://www.environment.gov.au/climate-change/greenhouse-gas-measurement/publications/national-greenhouse-accounts-factors-aug-2015>)

I have attached the 2015 version of this table.

The coal that will be burnt is anthracite , which has a calorific value of 29GJ/tonne, not 22.5 as per the GNRE report.

The emissions factor for anthracite is 0.090 tonnes CO₂-e/GJ, not 0.0087 as per the GNRE report.

This makes the “scope 3” emissions from thermal coal for peak year equal to 614,900*29*0.090 = 1.6M tonnes pa CO₂-e, not 120,367 as per the report.

And it takes the total emissions above 4.5Mtpa.

Table 1: Fuel combustion emission factors - solid fuels and certain coal based products

Fuel combusted	Energy content factor GJ/t	Emission factor kg CO ₂ -e/GJ (relevant oxidation factors incorporated)		
		CO ₂	CH ₄	N ₂ O
Bituminous coal	27.0	90	0.03	0.2
Sub-bituminous coal	21.0	90	0.03	0.2
Anthracite	29.0	90	0.03	0.2
Brown coal	10.2	93.5	0.02	0.4
Coking coal	30.0	91.8	0.02	0.2
Coal briquettes	22.1	95	0.07	0.3
Coal coke	27.0	107	0.04	0.2
Coal tar	37.5	81.8	0.03	0.2
Solid fossil fuels other than those mentioned in the items above	22.1	95	0.07	0.3
Industrial materials and tyres that are derived from fossil fuels, if recycled and combusted to produce heat or electricity	26.3	81.6	0.02	0.2
Non-biomass municipal materials, if recycled	10.5	87.1	0.7	1.1

THIS PROJECT IS NOT “INSIGNIFICANT”

The emissions (including downstream emissions, which the PAC is required to consider) from the coal mined by this project will be over 4.5M tonnes p.a in its peak year. This is approximately 10% of Australia’s ENTIRE annual emissions reduction target of 47Mtpa by 2030.

PAC DECISIONS ARE NOT “INSIGNIFICANT”

It is incorrect to argue that if this project was not approved then the coal would be “sourced from elsewhere”. NSW is a significant coal supplier on the world stage and NSW decisions on coal supply affect the world coal price, which in turn drives world energy efficiency. The totality of emissions under PAC control via its mining approvals is of the same order of magnitude as Australia’s entire greenhouse reduction target. The PAC therefore has a significant responsibility.

TAXPAYER MONEY WASTED

It is a waste of taxpayer money to be, on one hand, paying organisations and expending considerable public effort to reduce greenhouse emissions while on the other hand planning authorities like the PAC allow large increases in carbon emissions which cancel the benefits.

PROFIT SHIFTING

It is common practice for Australian subsidiaries of international companies to profit shift so that the Australian subsidiary earns almost no taxable income. This proposal provides no safeguards against profit shifting. Estimates of economic benefit should factor this in.