

## **NARRABRI GAS PROJECT – SUBMISSION: Response to Santos**

1. Santos claims two contradictory ‘facts’:
  - that they have been getting high international prices of A\$12/GJ this year
  - that Narrabri will bring down gas prices in Sydney by between 4-12% over a decade

The price chart in ACIL Allen’s model shows gas prices generally increasing over the next two decades and from 2030-40, staying above \$9/GJ (with or without Narrabri). The need for gas power is therefore unjustified. AEMO’s recently released *Integrated Systems Plan 2020*, looking at future energy grid options, shows that gas prices will need to be as low as \$4/GJ after 2030 to be competitive with battery-supported renewable energy.

The new ACIL Allen report notes that “Gas Power Generation demand is likely to decline from 92 PJ/a in 2020 to 30PJ/a by 2028” in the eastern Australian gas market. They anticipate that it will rise again post 2030 when more coal power stations close, but AEMO’s analysis is pretty clear that this will *only* happen if the gas price is half or less than ACIL Allen’s forecast.

2. Santos claim to support limiting global temperature rise to less than 2 degrees C, but the Narrabri gas project is inconsistent with that goal. Santos cites modelling for the *World Energy Outlook 2018* indicating that under its “Sustainable Development Scenario,” global gas demand grows by 14 per cent by 2040 compared to 2016. The WEO 2018’s Sustainable Development Scenario sees gas demand *contract* on 2018 levels by 3.4%, and states that “A three-way race is underway among coal, natural gas and renewables to provide power and heat to Asia’s fast-growing economies.”
3. Santos discusses public liability insurance cover for landholders who host Santos’ infrastructure, but not uninsured environmental harms and public water supplies.
4. On the issue of salination, salt as a solid waste that becomes liquid upon contact with water, creates the risk of serious and irreversible environmental harm, in the form of groundwater leaching. The landfill design features Santos mentions that could mitigate this risk, are not yet available and could not take the huge volumes of salt produced.
5. Santos’ assurance that impacts of the project on Gunnedah Oxley Basin water users can be adequately managed through monitoring and adaptive management are not credible given Santos’ proposed groundwater monitoring network in the GOB is not adequate to achieve this (as advised by DPIE Water)
6. Santos states: “in Queensland, no regulatory enforcement action has been required in a period where up to 8,000 CSG wells have been operating and all spills greater than 5m<sup>3</sup> in volume must be reported to the regulator”. Santos’ own 2015 Sustainability Report acknowledged two fines for the release of produced water to land at the company’s Queensland CSG operations.
7. Santos claims that its application of an FDI rating of 120 (catastrophic) means it has accounted for the impact of climate change. Over the 25 year life of the

gasfield the temperature is certain to be over 25 degrees C and with a very low average humidity, and dry soils. This increase the likelihood of a catastrophic fire event.

8. Santos has not made any statements on the impact on biodiversity. Given the expected decline in habitat and species of plants and animals declining, this is crucial.