

Very poor record of abatement at HVO

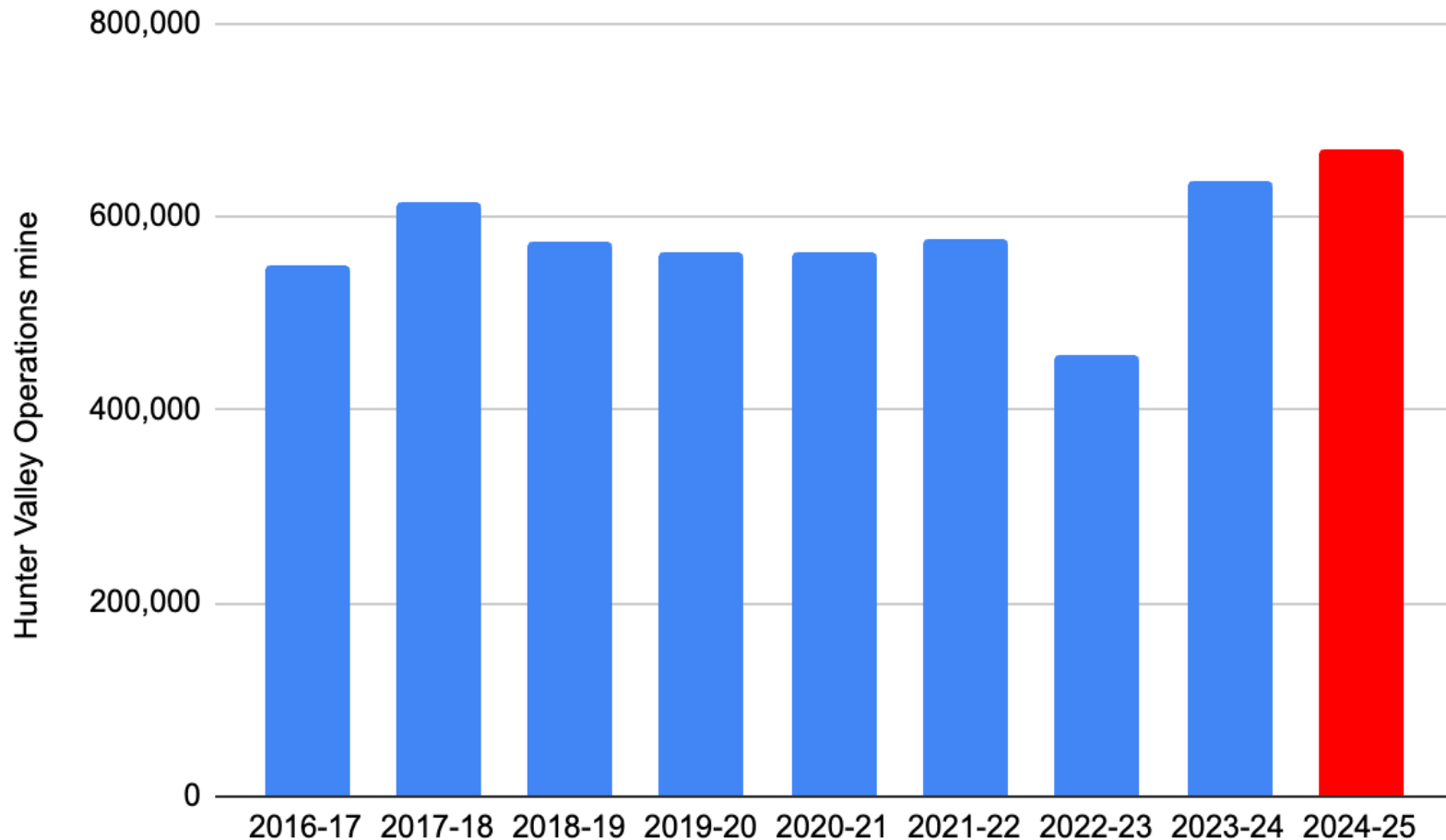
Hunter Valley Operations coal mine had no greenhouse
gas conditions listed in abatement strategy

NEWCASTLE
HERALD

Gabriel Fowler
July 10 2023

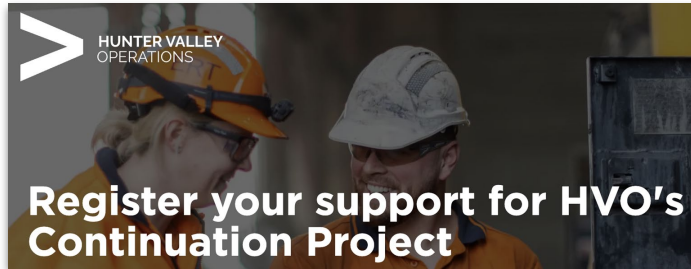
Scope 1 emissions in FY25 were at their highest level since the Safeguard Mechanism began in FY17

Hunter Valley Operations mine - total Scope 1 'covered emissions' under Safeguard Mechanism



HVO plan to **increase both
ROM coal production &
GHG emissions ...**

HVO claim to be reducing Scope 1 emissions AND coal production rates, but they plan to increase both ...



"We have ... amended our original project proposal to reduce emissions, production rates and adjust timelines. Collectively, these changes resulted in:

- A 30% reduction in diesel emissions over the life of the project*
- A 55% reduction in fugitive greenhouse gas emissions over the life of the project"*

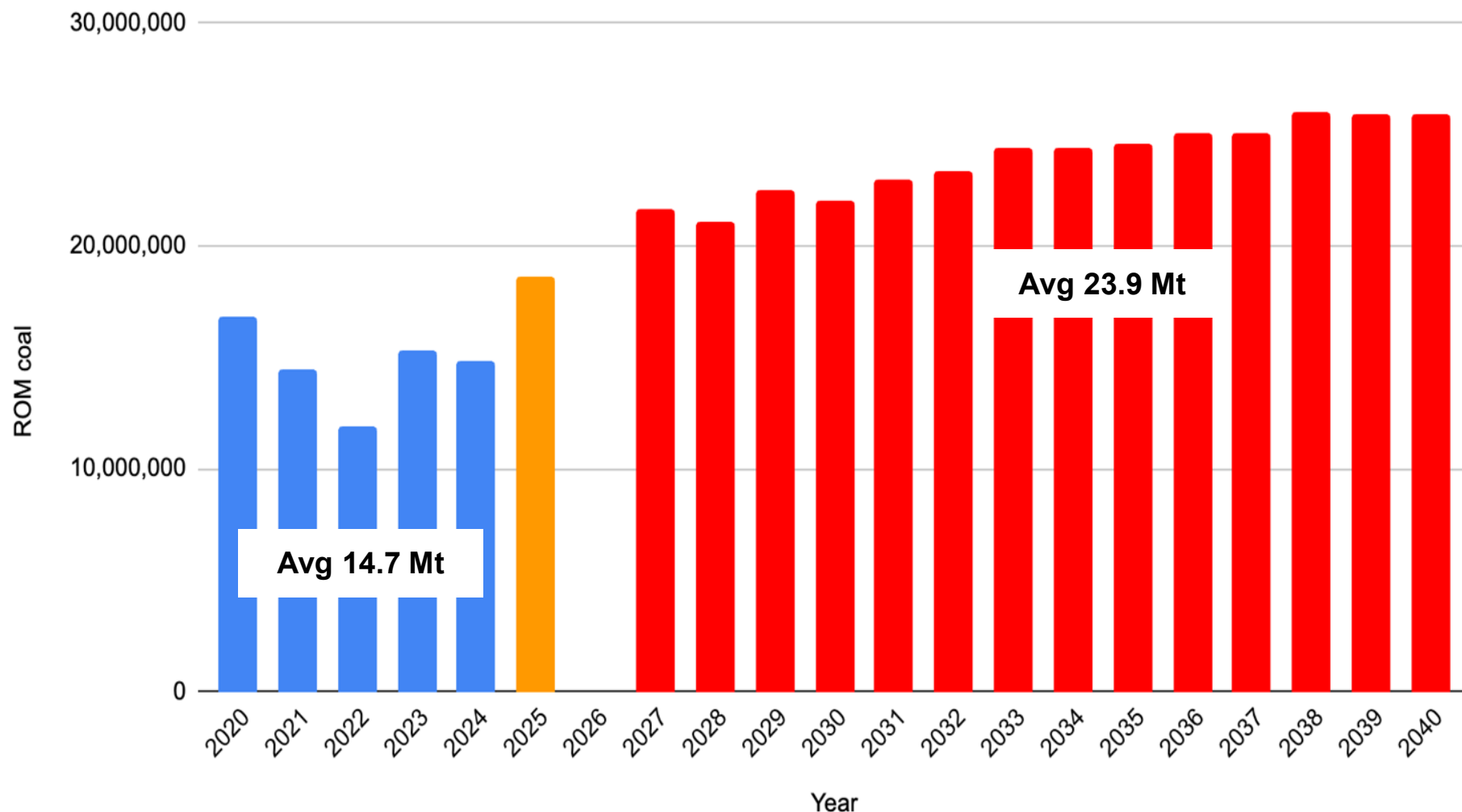
63% increase in annual coal production out to 2040

54% increase in annual diesel emissions out to 2040

37% increase in annual fugitive emissions out to 2040

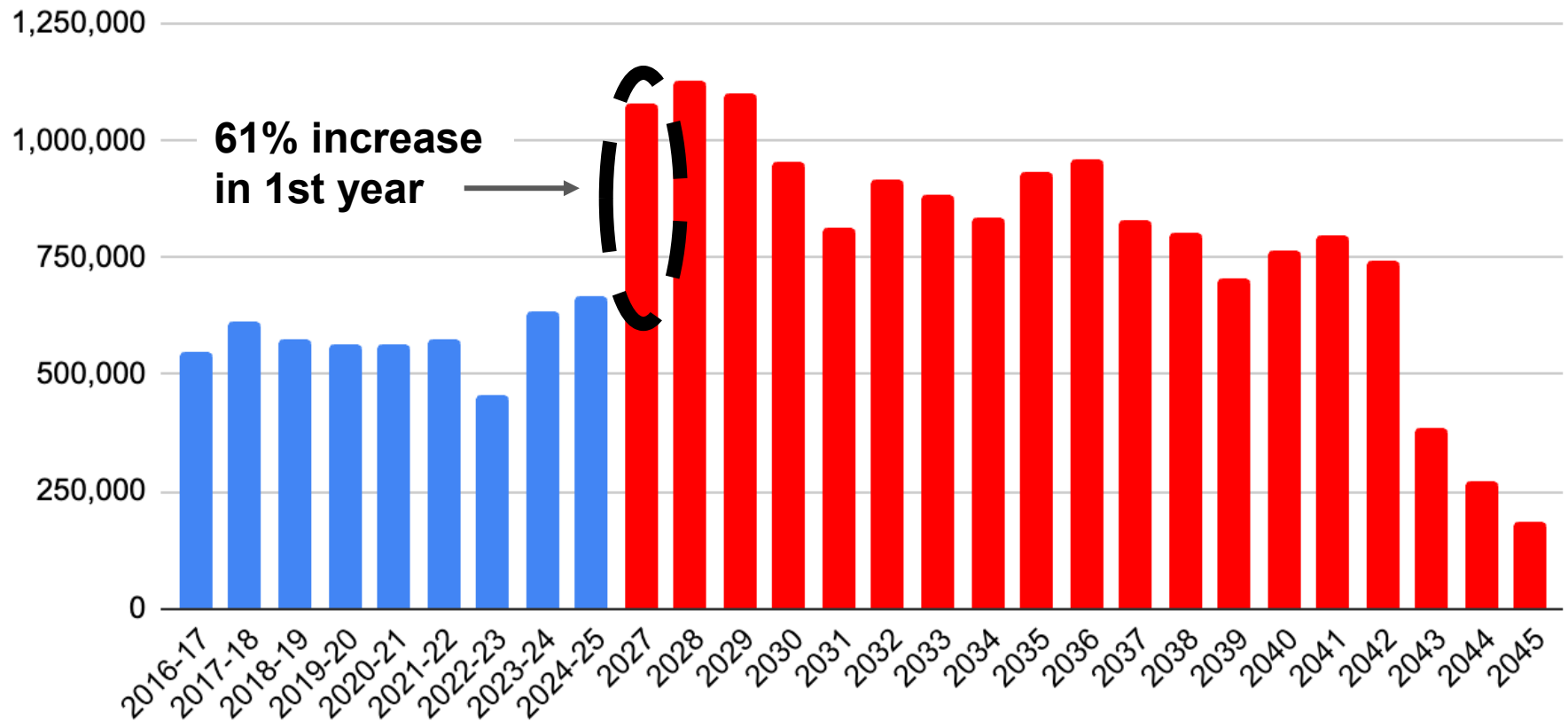
HVO plan to *increase* avg production by ~63% from 2027 and 2040

HVO ROM coal production: current operations (blue) vs Amended Project (red)



There is no 'downward trajectory' of Scope 1 emissions
>60% increase in Scope 1 GHGs is projected as gassier seams
mined from 2027 and ROM coal production *increases* ...

HVO's Scope 1 covered emissions (t-CO₂-e): actuals (blue) vs projected for Amended Project (red)



HVO: about 10% to 15% of the 6.6 Mt CO₂-e abatement gap in 2030

Unabated Project: 953,900 t CO₂-e (14.5% of gap)
Project with offsets: 621,300 t CO₂-e (9.4% of gap)

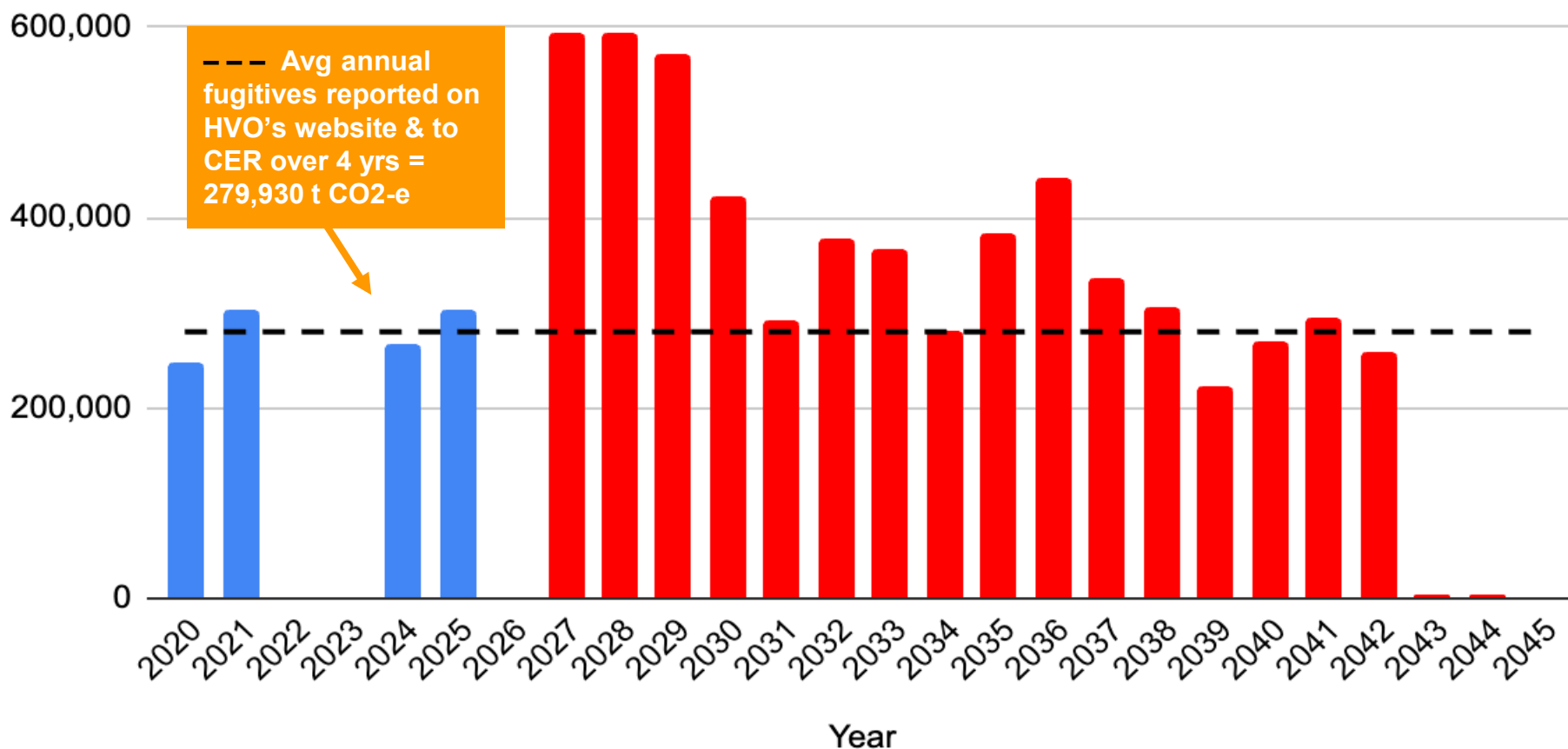
Table 1 NSW emissions as inventoried (2005, 2022) and projected (2030, 2035, 2050) compared to NSW emissions reduction targets

	NSW Greenhouse Inventory		Projected NSW emissions		
	2005	2022	2030	2035	2050
BAU (Mt CO ₂ -e)	152.7	110.0	87.1	70.7	40.0
Reduction below 2005		-27%	-43%	-54%	-74%
Current policy (Mt CO ₂ -e)	-	-	83.0	57.4	18.2
Reduction below 2005			-46%	-62%	-88%
NSW emissions reduction targets	-	-	76.4	45.8	
			50% below 2005 levels	70% below 2005 levels	Net zero emissions

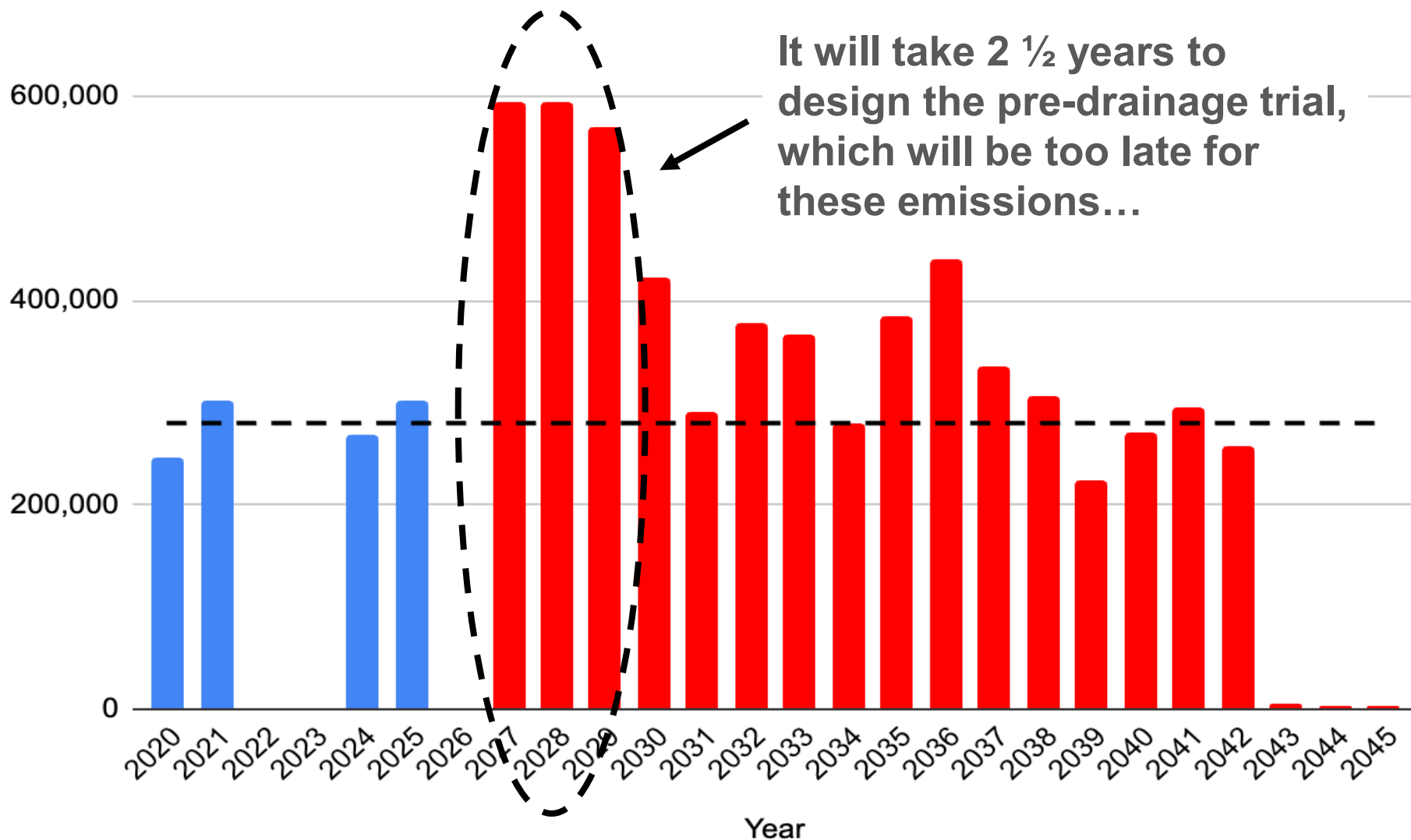
Table 1 sourced from [NSW DCCEEW's 2024 Methods Paper](#) (published 26/06/25)

Fugitive emissions will increase dramatically: for all but 3 yrs out to 2042, they will be higher or much higher than current operations

HVO Fugitive emissions: current operations reported to CER / NSW Gov't (blue) VS Amended Project (red)

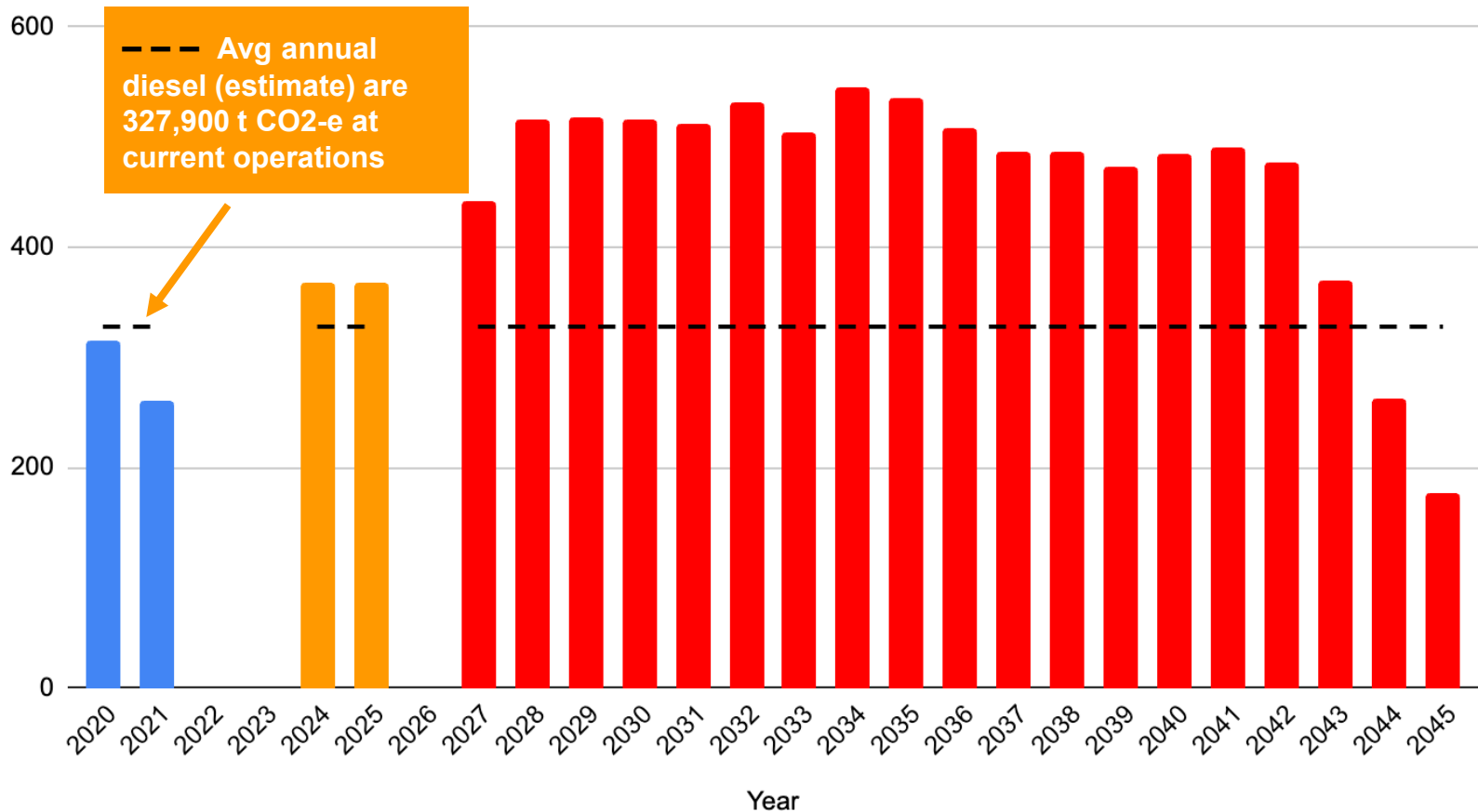


Pre-drainage trial will be too late to abate highest levels of fugitive emissions in the first 3 years of the project



HVO project a 54% increase in diesel emissions between 2027 and 2040 (above the 4 yr avg - 2020, 2021, 2024 & 2025)

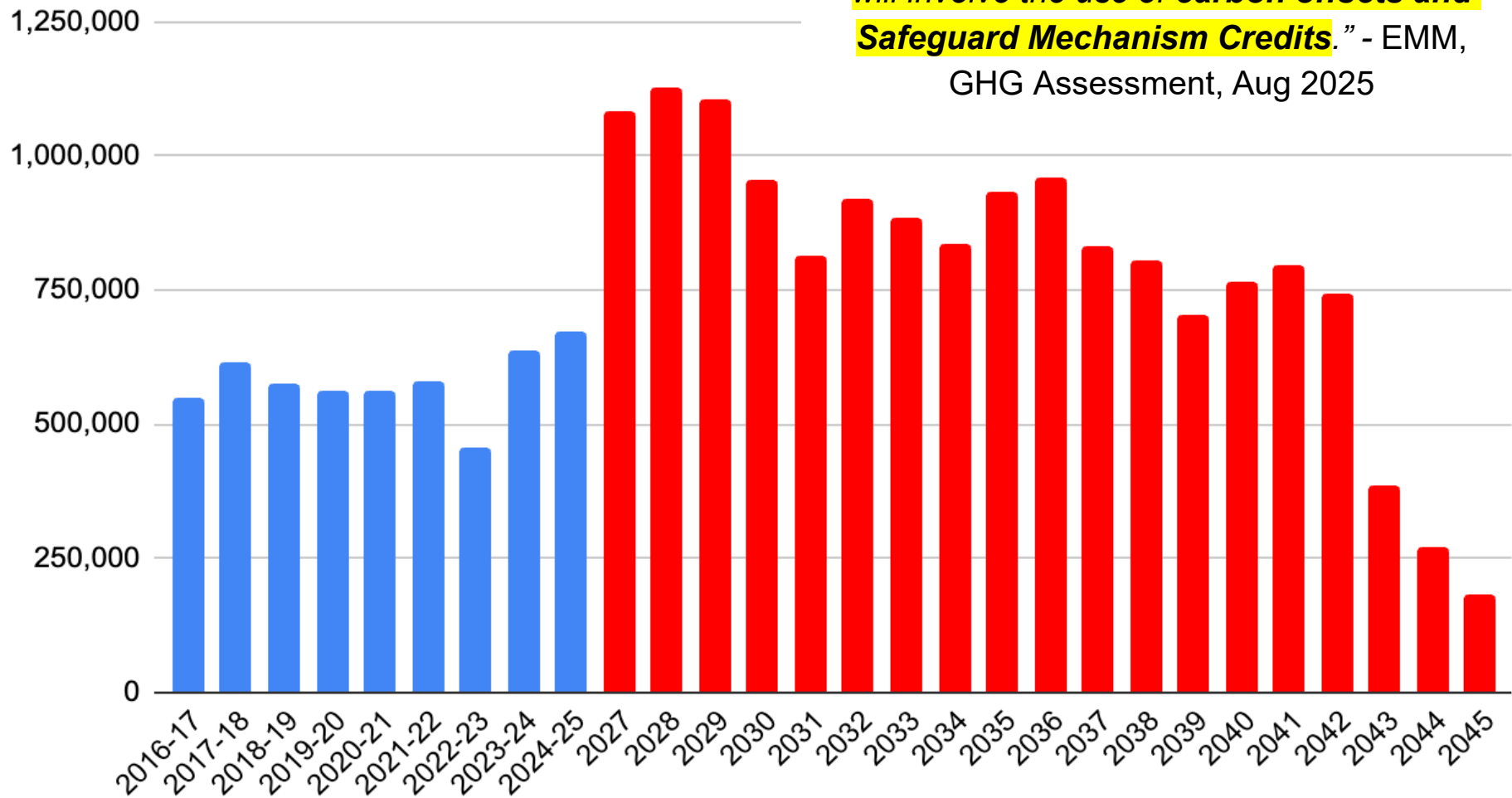
HVO diesel emissions: current operations reported to NSW Gov't (blue) and current operations derived from CER data (orange) vs projected emissions for the Amended Project (red)



A 'downward trajectory' relies on SMCs (which EPA says are not carbon offsets) & ACCUs that don't count if sourced outside of NSW ...

*"... in the short term, the primary approach to achieving the net emission reduction targets will involve the use of **carbon offsets and Safeguard Mechanism Credits**."* - EMM,

GHG Assessment, Aug 2025



NSW EPA policy does not support an assessment that there will be a ‘downward trajectory’, even with offsets and ACCUs ...

“offsets generated outside of NSW do not currently count towards the NSW emissions reduction inventory”



“It is important to note that SMCs are not carbon offsets”



The phrase “downward trajectory” appears 11 times in the AR:

- In regard to HVO’s Scope 1 emissions, there is no evidentiary basis for “downward trajectory” being consistent with the Climate Change Act and Paris Agreement temperature goals
- **New and additional Scope 1 emissions** - that are in excess of NSW’s emissions budget to meet targets - are still in excess, regardless of the trajectory they are on

If meeting interim GHG targets doesn't matter, then why did Minister Sharpe say it's “**essential**” that we do?

OFFICIAL

The Hon Penny Sharpe MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council



END