

NSW EPA response to supplementary questions from the committee

- 1. Please provide an analysis of each coal mine project assessment done since the Large Emitters Guide came into effect against the core provisions of the Guide, including:**
 - a. Have interim and long-term emissions goals been set for Scope 1 emissions? If yes, what are they?**
 - b. Is the emissions reduction trajectory consistent with NSW emissions reduction trajectory, and if so, how?**
 - c. Has the mitigation hierarchy to first avoid, reduce, substitute and then offset emissions been applied, and if so, how?**
 - d. Have carbon offsets been used only for residual emissions that cannot be avoided or reduced?**
 - e. Have proponents demonstrated that any proposed carbon offsets for residual emissions will occur in NSW and be counted to NSW emissions reduction targets?**
 - f. Has an offset strategy been prepared?**
 - g. Has an independent expert verified the mitigation assessment?**

The following provides an analysis of each coal mine assessed by the EPA since the EPA's NSW Guide for Large Emitters was finalised on 30 January 2025.

Bloomfield MOD5

This project is still under DPHI assessment.

The EPA provided advice on the Submissions Report and noted the applicant's commitment to:

- Avoid mining activities in areas with high gas content.
- Use of biodiesel blends (B5-B20) where compatible with equipment warranties and local supply.
- Electrification of auxiliary or support equipment.
- Implementation of key measurable and verifiable performance indicators to track progress toward emission-reduction goals.

Bloomfield committed to achieving their emissions reduction goals via avoidance, reduction and substitution of emissions, with offsets as a contingency. They stated that if offsets are needed, they would preference offsets originating in NSW where feasible.

Under the NSW Guide for Large Emitters, there is no requirement for an independent review since the declared emissions from this modification are below the 100,000-tonne-per-annum threshold.

The EPA recommended that if DPHI approves the project, they should consider conditions of consent that require the applicant to implement and periodically review the mitigation measures identified in the Greenhouse Gas Assessment.

Maules Creek Continuation Project

This project is still under DPHI assessment.

The EPA provided advice on the EIS and Submissions Report and noted:

- Diesel usage is the primary contributor to the Scope 1 emissions.
- Details of the proposed mitigation strategies were provided.
- Technical feasibility of renewable diesel integration was evaluated. A trial of renewable diesel fuel indicated costs were approximately three times higher than conventional diesel.

- The project has committed to reduce its emissions as per their Safeguard Mechanism obligations.
- An initial estimate of Safeguard Mechanism carbon liabilities was provided.
- An independent review was completed.

HVO North and South Amended Continuation Project

This project is still under DPHI assessment.

The EPA provided advice on the Amendment Report and noted the amended project proposes to:

- Avoid mining in the gassiest domain (Domain 1).
- Reduce the coal extraction rate and mine life.
- Reduce diesel consumption through optimisation of haulage.
- Purchase offsets to reduce net emissions by more than the project's Safeguard Mechanism obligations.

An independent review was completed and concluded that the proposed greenhouse gas mitigation measures are consistent with the NSW Guide for Large Emitters' mitigation hierarchy and have considered economic and operational feasibility.

The EPA highlighted that any proposed offsets must be based on methods that are clear, enforceable and accountable. Offsets sourced from NSW-based projects are preferred as those purchased outside of NSW do not currently contribute towards the NSW emissions reduction inventory.

The EPA recommended that if DPHI approves the project to consider conditions of consent that require the applicant to:

- Develop and carry out a gas pre-drainage trial.
- Periodically review, update and submit an updated greenhouse gas mitigation plan, including a review of emission reduction technologies.

Metropolitan Collieries MOD4

This Project is still under DPHI assessment. The EPA has requested more information to determine whether the NSW Guide for Large Emitters applies to this modification.

Wilpinjong MOD3

This project is still under DPHI assessment. The EPA has requested more information on greenhouse gas emissions to enable the EPA to complete its assessment.

Under the NSW Guide for Large Emitters, there is no requirement for an independent review since the declared emissions from this modification are below the 100,000-tonne-per-annum threshold.

Boggabri MOD10

This project is still under DPHI assessment. The EPA has requested more information on greenhouse gas emissions to enable the EPA to complete its assessment.

The applicant has not committed to using offsets exclusively from NSW-based projects. The EPA has advised the consent authority that the NSW Guide for Large Emitters indicates a preference to purchase offsets sourced from NSW-based projects, as offsets outside NSW do not currently contribute towards the NSW emissions reduction inventory.

An independent review report has been provided.

Ulan MOD6

This project is still under DPHI assessment. The EPA is currently undertaking an assessment of this project.

Ulan MOD8

This project is still under DPHI assessment. The EPA is currently undertaking an assessment of this project.

Dartbrook MOD8

This Project is still under DPHI assessment.

The applicant has not committed to using offsets exclusively from NSW-based projects. The EPA has advised the consent authority that the NSW Guide for Large Emitters indicates a preference to purchase offsets sourced from NSW-based projects, as offsets outside NSW do not currently contribute towards the NSW emissions reduction inventory.

An independent review report has been provided.

Cullen Valley MOD5

DPHI approved Cullen Valley MOD5 in August 2025.

The EPA provided comments on the EIS, Submissions Report and DPHI's proposed consent conditions in August 2025.

As a condition of consent, DPHI required that Scope 1 and 2 greenhouse gas emissions do not exceed the EPA's NSW Guide for Large Emitters assessment threshold of 25,000 tonnes of CO₂-e in any financial year during the operational life of the project.

There was no requirement for an offset strategy or independent review as the projected emissions from this modification were below 100,000 tonnes per annum.

Invincible MOD6

DPHI approved Invincible MOD6 in October 2025.

The EPA provided feedback on the EIS, the Submissions Report and DPHI's draft conditions of consent.

The EPA commented that the greenhouse gas assessment dated January 2025 was not prepared consistent with the NSW Guide for Large Emitters. Additional greenhouse gas information and mitigation measures to account for the maximum approved extraction rate were requested to be provided prior to determination. The EPA maintained this position to be consistent with sections 4.3 and 4.4 of the NSW Guide for Large Emitters.

As a condition of consent, DPHI required that Scope 1 and 2 greenhouse gas emissions do not exceed the EPA's NSW Guide for Large Emitters assessment threshold of 25,000 tonnes of CO₂-e in any financial year during the operational life of the project.

There was no requirement for an offset strategy or independent review as the projected emissions from this modification were below 100,000 tonnes per annum.

2. What analysis has the EPA done of the emissions reduction trajectory of the HVO coal project?

See answer to Question 1

a. Do you agree that it is not consistent with the NSW emissions reduction trajectory, given that it represents a major increase in emissions from current average emissions at the mine?

The projected emissions for the amended HVO continuation project are declining at a rate consistent with the NSW target emission reduction rate.

3. Does the EPA agree with the IEA Global Methane Tracker that a 75% cut in methane from fossil fuel operations is needed by 2030 to retain something akin to 1.5-degree warming pathway?

The EPA recognises the International Energy Agency's analysis that deep and quick reduction in methane is critical to limiting global warming.

Australia is a signatory to the Paris Agreement, which seeks commitment to limit global warming to well below 2°C. Australia has also committed to the Global Methane Pledge, which aims to reduce methane emissions by 30% by 2030, and NSW has legislated emissions reduction targets under the Climate Change (Net Zero Futures) Act 2023.

The EPA's role is to regulate within NSW to support delivery of these legislated targets, including by prioritising action on methane as a high-impact greenhouse gas.

4. Do you agree with the Net Zero Commission (NZN) that any further coal mine expansions or extensions are inconsistent with meeting NSW emissions reduction targets and are therefore inconsistent with the Climate Change Act?

The EPA notes the Net Zero Commission's advice as an important and evidence-based contribution.

The EPA is undertaking a significant amount of work to understand what additional regulatory action is needed over and above the Commonwealth's Safeguard Mechanism to ensure that the coal sector adequately contributes to meeting NSW's legislated emissions reduction targets. This has included:

- Publishing the Large Emitters Guide, which requires coal mine proposals to quantify their climate change impact as part of planning processes, and
- Seeking public feedback on the Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, which includes a proposed set of regulatory interventions to support the coal sector in reducing its greenhouse gas emissions. The Net Zero Commission will provide advice on this document before the EPA finalises the regulatory approach.

5. Given the EPA have been recognised by Chief Justice Preston as the authority with primary responsibility for climate change in NSW, will you now act urgently on the NZC finding, and:

a. Reflect any project's consistency with NZC findings in clear advice to DPPI on proposed coal mine projects going forward?

The EPA has an advisory role to consent authorities during the planning process for state significant development applications that are relevant to the EPA's regulatory responsibilities. The EPA reviews greenhouse gas assessments and provides advice on whether the assessment is prepared consistent with the NSW Guide for Large Emitters.

b. Update your existing advice to DPPI on coal mine projects that are already in the planning system?

The EPA provides advice to DPPI based on the information provided and relevant legislation/regulations, and guidance material published at the time of the assessment. The NSW Guide for Large Emitters is the EPA's current guide for information requirements for greenhouse gas assessments.

c. Set hard constraints in Environment Protection Licences on emissions from existing coal mines?

Under its *Climate Change Policy* and *Climate Change Action Plan 2023-26*, the EPA aims to drive emissions reductions across NSW, improve emitting practices and the transparency of greenhouse gas data and climate actions by our licence holders.

From 29 July to 7 October 2025, the EPA undertook public consultation on three proposed climate change documents for large emitting licensees:

1. Proposed Climate Change Licensee Requirements – include annual reporting of greenhouse gas emissions, specific mitigation equipment or actions, and measuring methane emissions.
2. Climate Change Mitigation and Adaptation Plans – Proposed Mitigation Requirements – provides details on what should be included in Climate Change Mitigation and Adaptation Plans, including that they be published, identify actions to reduce emissions, identify emissions goals and provide 10-year emissions estimates to EPA.
3. Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines – regulatory requirements to drive onsite emissions reductions at coal mines.

The EPA received 154 submissions and is now reviewing them, ensuring that all feedback is considered before the requirements are finalised.

6. Do you agree that following the clear NZC finding, if the EPA does not immediately change its approach to coal mine expansions and extensions, that it is likely to be in breach of its duties in relation to climate change, including legislated binding 2050 emissions reductions targets?

See response to questions 5a and 5b above.

EPA is undertaking a significant amount of work to understand regulatory interventions or support needed to help meet NSW's legislated emissions reduction targets.

In addition to the NSW EPA's role outlined above, it has a legal requirement to develop environmental quality objectives, guidelines and policies to ensure protection of the environment in NSW from climate change. This is a statutory duty that the EPA must discharge under the Protection of the Environment Administration Act 1997, as confirmed by a court judgement in 2021.

In 2023, the EPA published its *Climate Change Policy* and *Climate Change Action Plan 2023–26*. These documents outline the EPA's regulatory approach and actions to address the causes and consequences of climate change in NSW. They support and build upon the NSW Government's climate change policies and initiatives and assist with meeting the net greenhouse gas emission reduction targets enshrined in the *Climate Change (Net Zero Future) Act 2023*.

In January 2025, the EPA published its *Large Emitter Guide*, which requires proponents going through NSW Planning processes who are expected to have large emissions (more than 25,000 tonnes of GHG per annum) to provide clear details about emissions, mitigation measures and emissions reduction goals.

From 29 July to 7 October 2025, the NSW EPA consulted on a range of requirements for large emitting licence holders to deliver on commitments in the *Climate Change Action Plan* and drive emissions reductions across NSW. The proposals aim to improve emitting practices, the transparency of greenhouse gas data and climate actions by our licence holders. Proposals outlined in the *Greenhouse Gas Mitigation Guide for NSW Coal Mines* provide state-specific and up-to-date guidance on opportunities for NSW coal mines to reduce greenhouse gas emissions and set out specific onsite abatement actions to be implemented by NSW coal mines in the coming years. The Net Zero Commission will provide advice on this document before the EPA finalises its approach to coal mine greenhouse gas emissions.

7. The NSW Department of Planning, Housing and Infrastructure in their Assessment Report for Moolarben OC3 stated that "[364]. *The Department has consulted closely with the EPA during the assessment of the project who did not raise any specific concerns with the project's overall emissions generation in the context of the NSW Climate Change Policy framework.*" - is this statement correct, and

a. If so, can you explain why the 'lead regulator' on climate in NSW does not have "any specific concerns"?

The EPA provided a letter dated 17 May 2024 (DOC24/222701-16) continuing comments on the estimated greenhouse gas emissions from this project. At the time of the advice, the NSW Guide for Large Emitters had not been published.

b. If so, how does the NSW EPA reconcile the discrepancy between this position and the recent finding made by the NSW NZC that "Continued extensions or expansions to coal mining in NSW are not consistent with emissions reduction targets in the Climate Change Act or the Paris Agreements temperature goals it gives effect to?"

The EPA has provided comment on this project through the NSW planning process. At the time of advice, the NSW Guide for Large Emitters had not been published.

In its letter dated 17 May 2024, the EPA commented that it does not consider the greenhouse gas management plan was adequate for greenhouse gas minimisation. The EPA also commented on potential requirements relating to greenhouse gas in implementing a Climate Change Mitigation and Adaptation Plan. These included:

- measurable greenhouse gas emission goals
- a detailed energy efficiency plan
- a commitment to monitoring, reporting and continuous improvement
- the expected impact of the Safeguard Mechanism Baseline on year-to-year emissions
- comparison of emissions to the NSW Government's legislated emissions reduction targets.

In its advice, the EPA indicated these matters could be addressed through the EPA's Climate Change Mitigation and Adaptation Plan (CCMAP) process that will be implemented through the Environment Protection Licence.