



**GAS IMPORT JETTY AND PIPELINE PROJECT
ENVIRONMENT EFFECTS STATEMENT
INQUIRY AND ADVISORY COMMITTEE**

TECHNICAL NOTE

TECHNICAL NOTE NUMBER: TN 040

DATE: 22 October 2020

LOCATION: Crib Point Jetty Works and Pipeline Works

EES/MAP BOOK REFERENCE: Chapter 11 (Greenhouse Gas)
Technical Report F (Greenhouse Gas Impact Assessment)

SUBJECT: Response to RFIs 59, 60, 61, 62 and 63 - Section 7.1 Greenhouse gas emissions and mitigation and Section 7.2 Reporting requirements

SUMMARY Responses regarding greenhouse gas emissions, mitigation and Reporting requirements

REQUEST: This technical note has been prepared in response to the Request for Further Information 59, 60, 61, 62 and 63 provided to the proponents by the Crib Point Inquiry and Advisory Committee dated 16 September 2020

NOTE:

[59] Advise what is proposed to offset greenhouse gas emissions, particularly for operational activity from the Project.

1. Carbon offsets are not currently proposed in respect of the facility.
2. AGL is acting to responsibly reduce greenhouse gas emissions, while providing its customers with secure and affordable energy. In 2015, AGL committed (via its Greenhouse Gas Policy) that by 2050 it will close all existing coal-fired power stations in its portfolio. As part of this policy, AGL has committed to the closure of Liddell power station which is the equivalent of removing approximately 7 million tonnes of CO₂e of emissions annually. In addition, AGL has invested heavily in a number renewable project over the past decade including the Macarthur Wind Farm, Broken Hill Solar Farm, Silverton Wind Farm and more recently the Coopers Gap Wind Farm.
3. The Crib Point LNG Import Facility will form part of this action that AGL is taking to decarbonise the electricity generation sector.
4. APA takes the science of climate change seriously and supports a global transition to a lower-carbon future in accordance with the Paris Agreement goals. APA is taking steps to understand how the business can best respond to the challenges inherent in climate change. APA is currently the sixth largest owner of renewable energy power generation in Australia, with 54% of our power generation capacity coming from renewable sources. APA recently released a Climate Change Resilience Report which demonstrates the resilience of the company's existing portfolio under a range of scenario's including a pathway which limits climate change to 1.5°C. Insights and opportunities from this



analysis are being considered in strategy and planning processes and steps are being taken to embed consideration of climate change across the business.

5. As stated in the evidence of Richard Bolt, the AGL-APA project would reinforce electricity supply reliability and contribute to decarbonisation, by providing enough gas for flexible power stations plants to back up variable renewable power and enable timely closures of coal-fired power stations.
6. Consistent with the evidence of Mr Sichlau, EPR-GG08 has been modified to include the following language: *The action plan will include ongoing examination of options to maximise open loop mode operation of the FSRU.* The proponents consider this to be an important measure to minimise direct emissions of greenhouse gases from the operation of the Project.

[60] Explain the Scope 3 emissions in the context of the Project's overall emissions compared with Victoria's annual greenhouse gas emissions.

7. Victoria's annual greenhouse gas emissions (2017 (scope 1 and 2)) are estimated to be 110,200 kt CO₂-e. The Project's operational Scope 3 emissions as documented in Technical Report F are estimated to be 390.5 kt CO₂-ep.a. under open loop and closed loop operations. On this measure, the Project's scope 3 emissions are 0.35% of Victoria's annual total of scope 1 and 2.
8. The evidence of Mr Sichlau (at paragraph 42) supplements this analysis having regard to other scope 3 emissions (upstream and downstream).

[61] Noting Scope 3 Upstream emissions are calculated and reported, describe whether these can be further reduced.

9. By definition, scope 3 emissions occur from sources that are not owned or controlled by AGL, but by AGL's customers, suppliers and others in the value chain.
10. AGL recognises that, even though the ability to directly influence scope 3 emissions is limited, AGL can play a role in working with others in the value chain to achieve emissions reductions.
11. AGL's Supplier Code of Conduct was updated in June 2020 to strengthen the minimum environmental, social and governance (**ESG**) standards of behaviour that we expect from our suppliers. The Supplier Code of Conduct covers ethical business, privacy, environment, health and safety, human rights, labour practices, modern slavery, emergency preparedness and business continuity, supply chain and supplier diversity and community engagement.
12. AGL seeks to mitigate and minimise the ESG impacts of its Supply chain by:
 - (a) engaging with suppliers that share similar values and commitments to it; and
 - (b) supporting its suppliers and their supply chains to reduce the ESG impact of the goods and services they provide to AGL, while maintaining financial competitiveness.
13. To help AGL minimise its environmental footprint and promote environmental responsibility; AGL expects all suppliers who work with or for it to:

- (a) comply with all relevant local and national environmental laws and regulations, including in relation to environmental management and reporting;
 - (b) identify, monitor and minimise GHG emissions and energy consumption from their own operations;
 - (c) reduce environmental harm by maximising the efficient use of natural resources, energy, water and raw materials and minimise pollution (inclusive of greenhouse gas pollution) and waste;
 - (d) continuously improve their environmental performance through developing and reviewing effective management systems, measurements and targets; and
 - (e) minimise the risk of environmental incidents and respond quickly and effectively to manage environmental incidents from operations
14. AGL is committed to continuing to identify and prioritise opportunities to influence emissions reductions in the value chain.

[62] Provide the downstream Scope 3 emissions for the Project, recognising that Technical Report F states: "The Project has no ability to influence the end-use consumption of the gas" and would result in double counting.

15. Section 4.3.3 of Technical Report F: Greenhouse gas impact assessment of the report states that:

While outside the scope of the study, the emissions from the production of the LNG and the end-use consumption of the natural gas have been estimated for context...It is estimated that emissions associated with the commercial and residential end use of natural gas equivalent to the Project's highest possible annual supply are 8 Mt of CO₂-e₃.

16. The evidence of Ben Sichlau provides an estimated forecast of the emissions generated by the Project. Mr Sichlau's assessment includes consideration of upstream and downstream scope 3 emissions. See paragraph 42 and Figure 1 of Mr Sichlau's witness statement.

[63] Provide a percentage of commercial, industrial and household uses and the proportion that would be "double counted" as third party gas users triggered to report under the National Greenhouse and Energy Reporting Act 2007 Safeguard Mechanisms which applies to facilities with direct (Scope 1) operational emissions greater than 100,000 t CO₂-e.

17. Disaggregated NGER data for all gas using facilities in Victoria is not publicly available. This information is needed to provide a percentage of commercial, industrial and household uses and the proportion that would be "double counted" as third-party gas users triggered to report under the *National Greenhouse and Energy Reporting Act 2007* Safeguard Mechanism.
18. Double counting between companies is an inherent characteristic of Scope 3 emissions. This is because Scope 3 emissions occur outside of the company boundary and, thus, inside the boundary (Scope 1) of other emitting entities or companies.

CORRESPONDENCE: N/A



ATTACHMENTS:

N/A