



National Greenhouse and Energy Reporting Act  
Greenhouse and Energy Reporting Taskforce  
By email: [reporting@climatechange.gov.au](mailto:reporting@climatechange.gov.au)

13 February, 2008

Dear Sir/Madam

**RE: Technical Guidelines for Estimation of Greenhouse Emissions and Energy at Facility Level**

Thank you for the opportunity to comment on these guidelines. Attached are our comments. Please do not hesitate to contact me if you have any questions or queries in this regard.

Please also note that we would like to be involved in on-going consultation in this process.

Yours sincerely

A handwritten signature in blue ink that reads 'R. Wrixon'.

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## **Technical Guidelines: Overview Document**

### **General Comments**

<b>Location in Document</b>	<b>Comment</b>
Ratings Framework	The ratings of the different estimation/calculation techniques are clear and offer a structured approach to assist companies to improve their internal monitoring and reporting systems. The identification of uncertainty bounds on these techniques is also valuable.
Time series consistency of data	While Xstrata Coal recognises the need to ensure that there is consistency between data sets year-on-year, and that, once a higher accuracy of estimation/calculation method is used for a facility that facility should not revert to a lower order method in a following period, the need to get agreement from the GEDO might stifle improvement in information gathering. The manner whereby this agreement is attained needs to be seamless and effortless, if it is too complex then there will be limited momentum behind improved information quality.
Revisions	Greater clarity is required on how revised emission factors will be used, given that companies set targets against these data there is often the need to re-cast baseline every time emission factors are revised. Will this be undertaken for the whole of Australia when factors are revised? Is there going to be a set standard or protocol for using these adjusted factors?

### **Specific Questions**

<b>Question</b>	<b>Response</b>
Stakeholder views are sought on whether the listed fuel types in Attachment A provide sufficient detail for companies to report on its fuel use? Should any additional fuel types be added?	None at present

Question	Response
<p>Do companies have data systems in place to facilitate the reporting of equipment in use for the consumption of energy? Are data systems in place to estimate the consumption of energy by equipment type? Company views are sought on whether the equipment type listing provided in Attachment B adequately cover the processes within your company? Does providing a breakdown of energy consumption at this level present any difficulties? Should this data be reported under the Act?</p>	<p>Companies do not have data systems in place across the board which can be used for this level of information reporting. Reporting energy consumption by equipment type is not practical in the near term (the next 3-5 years). With respect to electricity, there is not enough market capacity at the moment to support this, there will simply not be enough meters available before end June 2007. Further, installing these meters typically requires a partial or total production shut down. These are scheduled months in advance, scheduling the shuts required before the beginning of July will not be possible. With respect to liquid fuels, again we have reservations about the capacity of the market to service this need in the next 3-5 years. Even if these meters were installed in January 2008, the commissioning of the system and trouble shooting would require at least 6 months before the resulting data can be viewed as reliable. Further, the cost of installing the required level of metering will be prohibitive, sufficient monies need to be allocated in capital budgets to support metering to this level. The earliest that budgets can be made available is a function of a company's budget cycle. In the case of Xstrata our budget has been set for this year already.</p> <p>With respect to the equipment list included in Attachment, this is completely inadequate to the needs of the mining industry, it would require that we enter information on lighting and air-conditioning systems separately, these comprise &lt;1% of our total energy use, but it gives us no way of reporting a breakdown of our electricity use between the mine and the processing plant, nor does it allow us to break down liquid fuel use across our fleet. Reporting to this set of equipment type would add no value to our energy efficiency program. We see no reason for reporting it under the Act.</p>
<p>The development of scope 2 indirect emission factor definitions designed to create incentive structures to drive the choice of electricity supplier by consumers is a policy issue that goes beyond the scope of this paper. The merits of such incentive structures may be best considered in conjunction with a broader greenhouse emissions policy review. Submissions are invited on the relative merits of the two approaches on this topic.</p> <p>Stakeholder views and preferences are sought on the different reporting options for electricity (Scope 2) emissions as outlined in the Attachment C Box?</p>	<p>Xstrata Coal would prefer a contract based approach, on the proviso that the emission factors assessed for the supply of electricity had declared uncertainty limits associated with them, and that these uncertainty bounds are lower than the uncertainty bounds associated with the current approach to assessing emission factors.</p>
<p>Should Scope 2 indirect emissions be estimated using default national or default state Scope 2 emission factors?</p>	<p>If average data are to be used Xstrata Coal would prefer that a national average be applied. Further, we would prefer that six-monthly and annual averages be published to align with different reporting periods (calendar and financial).</p>

## Technical Guidelines

### General Comments

Location in Document	Comment
1.5 Quality Control Processes	An indication of the role of voluntary internal and external audits in the context of quality control would be welcomed.
Table 1	This table could be extremely misleading, transport emissions are definitely material to the coal mining emissions profile, this table needs to be extended significantly or deleted from these guidelines. The intent of this table is good and it should be retained if possible.
2.3.8 Revisions	Clarity is sought on how emission factors will be integrated with those used in the Greenhouse Challenge Plus program, specifically in cases where these factors are different.
Table 3	The inclusion of lubricants in this table adds a significant degree of complexity to data gathering as lubricants are not typically tracked in energy and greenhouse reporting datasets. Guidance is sought on the minimum amount (kg) of lubricants used by a facility/corporation in order for this element to be considered material.
3.3 Activity data	It should be noted that converting energy streams to their energy content and then applying emissions factors can lead to different answers to those achieved when emissions factors are applied directly to the energy stream (applying CO <sub>2</sub> -e/kWh vs CO <sub>2</sub> -e/GJ for electricity for example). There are obviously rounding errors in these data sets which are highlighted when calculating large emissions inventories. For clarity, all energy sources will be converted to their energy content before emissions factors are applied.
Table 9	This table implies that coal seam gas and coal mine waste gas have the same volumetric energy content. This is extremely unlikely given that waste gas has been diluted significantly. This might arise from different definitions of the terms, Xstrata Coal seeks clarity on how these terms are defined, and would like to consult further with the Department of Climate Change to ensure that all potential gas streams from coal mines are correctly addressed.
3.6.2 Liquid Fuel Emission Factors	Xstrata Coal seeks clarity on how to determine emissions from mine haul trucks, and other heavy machinery (graders, dozers, loaders, etc) used in the mining industry. While we recognise that we can develop our own emission factors, these should be consistent for the industry as a whole. The standard emission factors included in Table 13 are not adequate to these ends, and monitoring all pieces of equipment is not feasible. It should be noted that mine haul trucks are essentially electric vehicles, diesel is consumed to power a generator. Xstrata Coal welcomes the opportunity to discuss this issue further with the Department of Climate Change.
Table 21	In order to determine whether the inventory Xstrata Coal develops for NGER reporting purposes is adequately robust we would like to understand the maximum uncertainty which can be tolerated in this inventory. This would allow us to prioritise metering and monitoring improvements in line with a desired uncertainty limit in the inventory.
4.2 Fugitive emissions from coal extraction and 4.2.3 Decommissioned underground mines	While it is recognised that the Department of Climate Change requires that emissions from decommissioned mines be determined, we seek clarity on who will be responsible for assessing these emissions, whether it is the original mining company, or government departments in the various states. Is this a requirement if there is an abandoned mine within an existing mining lease.
Table 25 Post mining emissions	We note this additional calculation and welcome the clarity it offers, this additional consideration will require us to adjust our existing database.

<b>Location in Document</b>	<b>Comment</b>
4.2.3 Decommissioned underground mines	Using the final mine production at closure can be misleading as this can vary significantly in the final years of a mine's life; Xstrata Coal would prefer that average annual production for the life of the mine be used in these calculations as this will avoid confusion in the definition of "final production".