



13 February 2008

Department of the Climate Change
GPO Box 787
CANBERRA ACT 2601

Technical Guidelines Discussion Paper

The Cement Industry Federation (“the CIF”) welcomes the opportunity to submit comments to the Department of Environment and Water Resources (DEW) in relation to the design of regulations that will form part of the legislative framework for a national greenhouse and energy reporting system.

The Cement Industry Federation is the national body representing the Australian cement industry, and comprises the three major Australian cement producers - Adelaide Brighton Ltd, Blue Circle Southern Cement Ltd and Cement Australia Pty Ltd. Together these companies account for 100 per cent of integrated clinker and cement supplies in Australia. Their operations are located around Australia, and include 15 manufacturing sites, 10 mines and over 70 distribution terminals. In 2006, the industry employed 1900 people and produced over ten million tonnes of cementitious materials, with an annual turnover in excess of \$1.64 billion. In Australia, the industry is responsible for nearly 7.2 Mt per annum of greenhouse gas emissions.

In collaboration with its member companies, the CIF works to advance a competitive and sustainable Australian cement industry that is committed to best practice in all areas of cement production, as well as responsible management of our nation’s resources.

The CIF is generally comfortable with the proposals in the new Technical Guidelines however we have a number of comments, questions and observations on particular sections within both the Overview and the Technical Guidelines.

Activity Data (p12 Overview) – Is this data required for reporting purposes only or does the data have implications for an Australian Emissions Trading Scheme (AETS)? Further detail of the potential impacts of an emission trading scheme on transport and international bunker fuels is requested.

List of Equipment (Attachment B Overview and p10 Guidelines) – In regard the question of industries views as to whether the equipment type listed adequately covers the processes within its organisation and whether the data should be reported, CIF notes that reporting by equipment type is not often aligned to the most accurate collection of primary data. Also, there is considerable potential for error and unnecessary uncertainty in such aggregated data when

reported. For example, some of our member sites have metering in place on the equipment listed whilst others have metering for a section of the process including ancillary equipment listed in Attachment B. The CIF considers the value for reporting corporations in continuous reporting by equipment type does not appear to provide any material benefits, however does provide additional reporting burdens (already covered by EEO). The CIF requests the government must establish a reason for reporting this level of data and this should be part of a broader consultation exercise prior to introduction.

Links with International Reporting Framework (p7 Overview, p11 Guidelines) - The World Business Council for Sustainable Development (WBCSD) initiative's mission is to develop internationally accepted greenhouse gas (GHG) accounting and reporting standards for business and to promote their broad adoption. The CIF believes the Technical Guidelines must have full conformance with the Greenhouse Gas Protocol rather than adopting the emissions categories only.

Section 2.3.2 (p18) – The CIF disagrees with monthly analysis of carbon content and calorific value. The CIF would ask that the variability of the fuel is accommodated in the sampling and analysis program so that the integrity of the analysis will support an annual representative sample of the materials used during the reporting period.

Section 2.3.3 (p19) – The descriptions through the text don't allow for new methodologies to become "normal" National Greenhouse Accounts (NGA). The proposed process suggests that the type of method is identified but not rated.

Section 2.3.5 (p19) Time-series consistency of emission factor information - "Once a reporter has chosen to utilise facility-specific emission factors in a higher-order method, the Reporter must continue to use the same approach, to maintain time series consistency in its estimation approach, and not revert to the use of NGA default emission factors." This is acceptable only if a "default emission factor (EF)" approach can be elevated to be of an equivalent higher order to ensure that Reporters do not get locked in to a more expensive method where a default factor method can be demonstrated to be of equivalent accuracy. The discussion on time-series consistency in IPCC (2006) at S2.2.1.5 suggests where possible, a change of method should be applied historically to address time-series consistency issues, and this can apply regardless of moving higher or lower order. The CIF supports low cost rather than less accurate methods being established and therefore an incentive exists to adopt where this does not sacrifice material accuracy.

Chapter 3 of the Guidelines is titled Energy: Fossil Fuel Combustion – yet this chapter contains a subchapter (3.7) on Biogenic Fuels. The CIF would recommend broadening the title of Chapter 3 to Energy: Fuel Consumption to better reflect the content.

Section 3.3.1 (p24) - Following the formula which is expressed on a per gas type basis with a variable j representing each gas, the paragraph underneath the equation states that all NGA default EFs are expressed in terms of CO_{2-e} permitting the emissions from methane and nitrous oxide to be aggregated with carbon dioxide. If this statement is true then the formula should not be expressed with a variable j . CIF believes the variable j is redundant.

Section 3.4.2.2.3 (p34) – The CIF asks for greater clarification on the use of the oxidation factor and its relationship to the specific operation of the facility. The IPCC recognises the carbon content of the ash found in cement kilns is negligible due to the long retention time at very high firing temperatures.

Section 3.7.1.2 (p46) – Various blends of solid fuel products (for example, mixes of waste wood and plastics) are used in cement kilns to produce heat. As outlined in the submission from Beta Lab Services (USA) the CIF would strongly endorse the inclusion of ASTM D6866-06a

'Standard Test Methods for Determining the Biobased Content of Natural Range Materials Using Radiocarbon and Isotope Ratio Mass Spectrometry Analysis' for the measurement and verification of biogenic/biomass CO₂ in the Guidelines. This well proven method is particularly useful for measuring heterogeneous fuels (i.e. mixture of biomass with fossil fuel materials). It is particularly useful for determining the biogenic carbon fraction of heterogeneous fuels such as municipal solid waste or tyres. The method works well with any type of sample (gas, liquid or solid).

An equivalent standard is in use in Europe CEN 15591-2007. This standard was developed to monitor biogenic carbon for the EU ETS.

Additionally, the reference to the Cement CO₂ protocol is not relevant as it does not include a methodology of calculating an emission factor for mixed waste streams.

Section 3.7.3 (p46) – Reference should be made to ASTM 6866-06a. Additionally the ASTM 6866-06a should be inserted in Appendix 3.3 (p65) as well as any other European standards and sampling techniques.

Section 5.2.1.2 (p94) – The CIF would prefer section 5.2.1.2 is expressed in more consistent manner with IPCC (2006) to avoid confusion.

Appendix 5.1 NGA emission factor ratings – As a minimum standard, all CIF member companies using alternative fuels follow the World Business Council for Sustainable Development Cement Sustainability Initiative (WBCSD CSI) “Guidelines for the selection and use of fuels and raw materials in the cement manufacturing process” which are built upon the principles of sustainable development, eco-efficiency and industrial ecology, and the best practice of the global industry. The CIF would expect the guidelines to recognise the WBCSD CSI protocol for calculation of EF as an AA rating.

Chapter 7 (p128) Scope 2 Emission Factors – ‘Physical’ and ‘Contract’ Based Approaches. The Guidelines present state-based emission factors from on-grid electricity generation calculated systematically from the physical characteristics of the electricity grid. The CIF does not agree with the use of state-based emission factors and would recommend the use of national emission factors. With such a low emission factor in Tasmania, due to large amount of hydropower, it is desirable to establish a level playing ground for getting abatement projects justified. Additionally, the CIF believes from a cost-pass through perspective, we'll see the same price hike in Tasmania regardless of hydropower content.

Any inquiries should be directed to the undersigned. Thank you for the opportunity to provide this submission.

Yours faithfully,



Andrew Farlow

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