

To be read in conjunction with the companion Presentation Slides

SLIDE 1 – cover page

I thank the Planning Assessment Commission members for the opportunity to speak here today.

My name is **Geoff Miell**. I have no political affiliations.

I am a resident and rate payer in the Lithgow Local Government Area (LGA).

I support the Springvale Water Treatment Project (WTP) in principle, but I question why it has taken so long for this project to get to this stage. The approvals should have already been granted and the WTP should have, at the very least, already commenced construction and be close to becoming operational. Why the delay?

The same applies to the Western Coal Services Project MOD 1. Why the delay?

This presentation is primarily about Springvale Mine Extension Project MOD 2, and why I believe Centennial Coal is wilfully treating the NSW people with contempt by continuing to pollute Sydney's drinking water and holding NSW's energy security to ransom, through strategic 'gaming' of the planning system.

I believe Centennial Coal is behaving in bad faith towards the people of NSW, and this type of behaviour by a corporate citizen should be discouraged, not rewarded.

SLIDE 2 – What's Springvale MOD 2 about?

What's Springvale MOD 2 about?

SSD 5594 was approved on the 21 Sep 2015. That's more than 19 months ago. Centennial Coal willingly agreed to the water quality improvements in mine discharges, shown in this slide in **teal** colour. **If Centennial hadn't agreed to these conditions they would not have gained approval for SSD 5594.**

The proposed SSD 5594 MOD 2, in essence shown in this slide as **dark blue** colour, is seeking to '**move the goal posts**' by removing and deferring – **in effect relaxing** – key environmental performance standards with MOD 2.

Is Centennial Coal strategically 'gaming' the planning system? I think so.

MOD 2 is not fixing an error in the SSD 5594 consent, or making a **minor** change that causes **minimal environmental impact**, but rather **it allows a continuation of a major environmental impact that the original SSD 5594 was requiring to be substantially reduced**, and so it can't be said to be substantially part of the same project.

I attended the NSW PAC public hearing concerning the Bylong Coal Project last Thursday, and spoke against it, because I see that new coal mines are not needed due to evidence of a sustained decline of global demand for coal. One of the other speakers there said words to the effect that all the coal mine project proponents agree to the environmental performance standards in the original development consents, particularly with respect to mine water discharges, and then work at removing or deferring these requirements again and again with consent Modifications. This is what I believe is happening here.

SLIDE 3 – Is Centennial engineering energy security crises? (#1)

On 28 October 2014 Centennial Coal announced that Angus Place Colliery would be ‘mothballed’. *Lithgow Mercury* online edition that same day reported that:

Mine operators Centennial Coal said that the action is part of a restructuring necessary in light of the prolonged downturn in international coal markets.

But why ‘mothball’ Angus Place? Why not ‘mothball’ Springvale mine or perhaps Clarence mine, or one of Centennial’s mines elsewhere? At that time Springvale mine had only less than a year remaining of its current development consent, and was seeking an extension of operations beyond 2015.

I think it was a strategic decision intended to hold NSW’s energy security to ransom while Centennial was negotiating approval for SSD 5594.

I remember the Lithgow Workies Millennium Room in May 2015 – I was there – with standing room only for the PAC hearing first review of the Springvale Mine Extension Project. The *Lithgow Mercury* reported EnergyAustralia’s representative, concerned that any disruption to Mount Piper Power Station’s coal supply would have serious implications.

Did Centennial Coal engineer this crisis situation to gain SSD 5594 approval? I believe it was a useful strategy by Centennial to achieve their desired outcome.

SLIDE 4 – Is Centennial engineering energy security crises? (#2)

SDD 5594 MOD 1 was approved by the PAC on 19 April 2017 changing the consent conditions shown in this slide. It seems to me highly inefficient to increase this workforce by 45% to only achieve a 22% gain in coal production. **But there’s no guarantee that many employees will ever be employed at Springvale mine** – that’s a maximum allowable quantity, and I suspect that number was inflated to make it appear attractive to those people not conscientious enough to think through the implications of these changes.

By increasing the rate of coal extraction Springvale mine’s reserves could all be depleted as soon as year 2024. Perhaps more jobs at Springvale, but for a shorter time. I think it is likely Airly mine may be ‘mothballed’ to supply miners.

At the PAC public hearing for Springvale MOD 1 last month, I was puzzled by why miners working at Springvale (some stated at the hearing they love their jobs there), and the CFMEU representative, were supporting a proposal that could end these existing jobs there up to 4 years sooner. It makes no sense to me.

And then there’s Minister Anthony Roberts reported comments on the PAC approval of Springvale MOD 1 shown in this slide in **violet** colour. How does exhausting Springvale mine’s reserves sooner (as early as 2024 instead of 2028) “bolster energy security”?

Coincidentally, or is it (?), Angus Place mine’s current SSD consent expires on 18 August 2024. So, has Centennial Coal engineered another potential energy security crisis in 2024 to achieve leverage over the people of NSW to gain a favourable outcome in negotiating an approval for an extension for Angus Place?

And what is Mt Piper’s maximum coal demand? Figures I see suggests it’s less than 4.5 Mt/yr, so why does Springvale need a higher extraction rate of 5.5 Mt/yr?

SLIDE 5 – Is Centennial engineering energy security crises? (#3)

And then there's Springvale MOD 2. Is the fear of Mount Piper Power Station closing being used again to try to gain advantage in the approval of MOD 2?

SSD 5594 was approved on 21 September 2015, more than 19 months ago. Why is the Water Treatment Project taking so long to proceed? Why isn't the WTP already approved and now substantially into its construction phase?

The NSW EDO is querying the timing of when Centennial Coal knew it was unable to comply with the conditions. Indeed!

Is Centennial Coal intentionally delaying the progress of the WTP? If MOD 2 is approved, will there be another MOD sought, say in another year's time, to defer the water quality improvement requirements again, to beyond June 2019?

In 2019 Springvale may have only 5 years of reserves remaining. Will the excuse then be that it's not economically viable for a WTP?

SLIDE 6 – What if Springvale MOD 2 is denied? Mt Piper options?

I have serious concerns about our civilisation's energy security and prosperity. I sought answers in August 2016 from Anthony Roberts, then Minister for Industry, Resources and Energy, and one of the questions included:

Is there a 'Plan B' should Mount Piper Power Station's long-term coal supply become compromised? Does Mt Piper have a life beyond 2024-28?

According to Minister Roberts, Mount Piper Power Station does have other coal supply options.

If Springvale MOD 2 is not approved, there is the option of reopening and producing at Angus Place mine while the WTP is completed. If Centennial Coal won't do that, then perhaps EnergyAustralia should be exploring other options further away? Wilpinjong, Ulan and Moolarben mines were other likely higher cost supply options mentioned by Minister Roberts, but that would require the Mudgee rail line to be reopened north of Kandos. Having the Mudgee line active isn't a bad idea in my view.

So should we be fearful that Mount Piper will close because Springvale can't produce coal? Where there's a will, there's a way!

SLIDE 7 – 2015 top 5 coal country rankings

The global coal industry is heavily concentrated among only a few key countries.

Note that China's official coal reserve figure of 114.5 billion tonnes has not changed since 2011. This suggests China's coal reserves-to-production in 2015 of 31 years may be optimistic, considering the rate of extraction has been considerable at 3 billion tonnes plus per annum over this period. So for energy security reasons China must eliminate its coal dependency in a matter of decades.

The rest of the world simply doesn't have the capacity to replace China's recent coal production output, and China is rapidly working towards not needing it.

SLIDE 8 – Current top 5 coal producer outlooks

China is on a rapid diversification of its entire electricity-generating capacity away from coal towards hydro, renewables and nuclear.

The US coal industry has been in a sustained decline since 2008, and is expected to decline further, despite what Trump says.

2 years ago, Indian energy minister Goyal articulated a clear plan to cease thermal coal imports by around 2020.

China and India collectively purchase over 40% of global seaborne coal and permanent shifts in both those markets will see thermal imports reduced to zero.

Australia has plenty of coal but it seems the top two coal importers/consumers, China and India, won't need it soon!

SLIDE 9 – EWG: World hard coal production 1960 – 2100 by region

Global coal production peaked in 2014, a few years earlier than projected here, and it appears we are now in a post-peak coal world.

SLIDE 10 – Why I think Springvale MOD 2 should be denied:

I believe Centennial Coal is behaving in bad faith towards the people of NSW, and I have outlined today what I believe are examples of these.

Why isn't the WTP already approved and the construction of it already substantially underway since SSD 5594 was approved more than 19 months ago? If the WTP had already begun construction then I would have given Centennial Coal the benefit of the doubt, but as this isn't the case, I believe Centennial Coal is demonstrating through inaction that it has no intention to build the WTP and is using delay tactics wherever possible to avoid doing so.

I believe Centennial Coal has engineered situations to put pressure on the local community, and the State of NSW to enable Centennial Coal to get what it wants, at the expense and to the detriment of others and to the environment. I think this is not the behaviour of a corporate citizen that should be rewarded by approving Springvale MOD 2.

And there are other coal supply options for Mount Piper Power Station until the WTP is approved, constructed and operational.

SLIDE 11 – We live on a finite planet

Good planets are difficult to come by. We should avoid wrecking this one!

SLIDE 12 – Final thoughts

I leave you to ponder over these quotes while you deliberate.

Thank you for your attention.