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Department of Resources, Energy and Tourism



Clean Energy Future

Australia's Climate Change Plan

Global Methane Initiative
Coal Technical Session

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Department of Resources Energy and Tourism

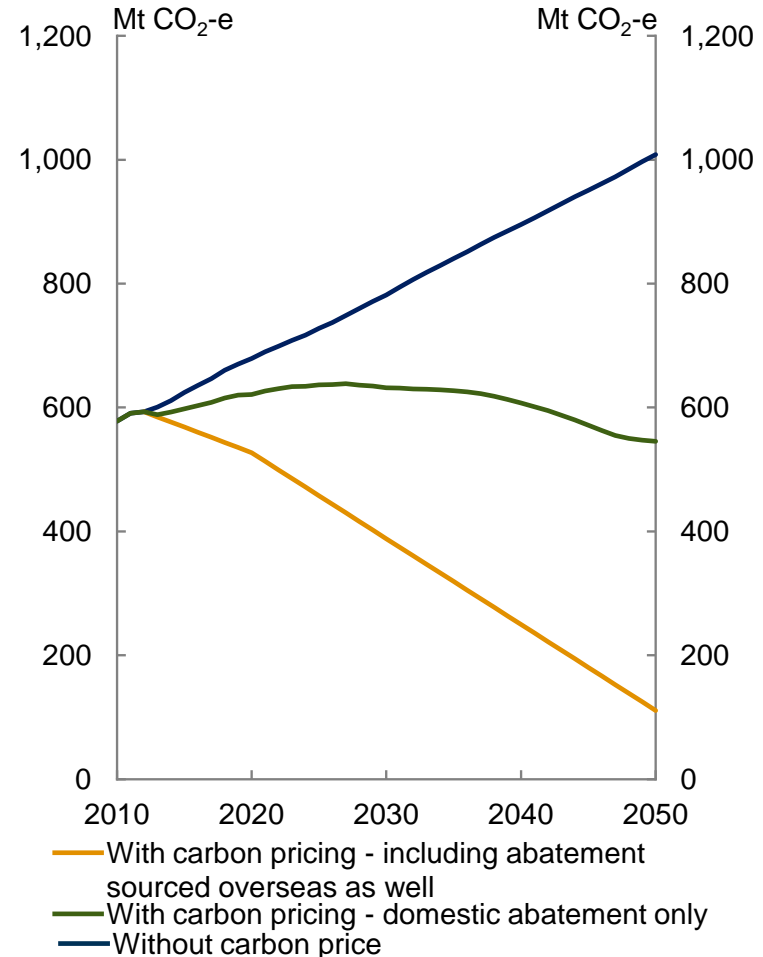
Krakow, Poland 14 October 2011



Emissions

Australia with carbon pricing

- 5 per cent reduction in emissions of 2000 levels by 2020
- 80 per cent reduction of 2000 levels by 2050





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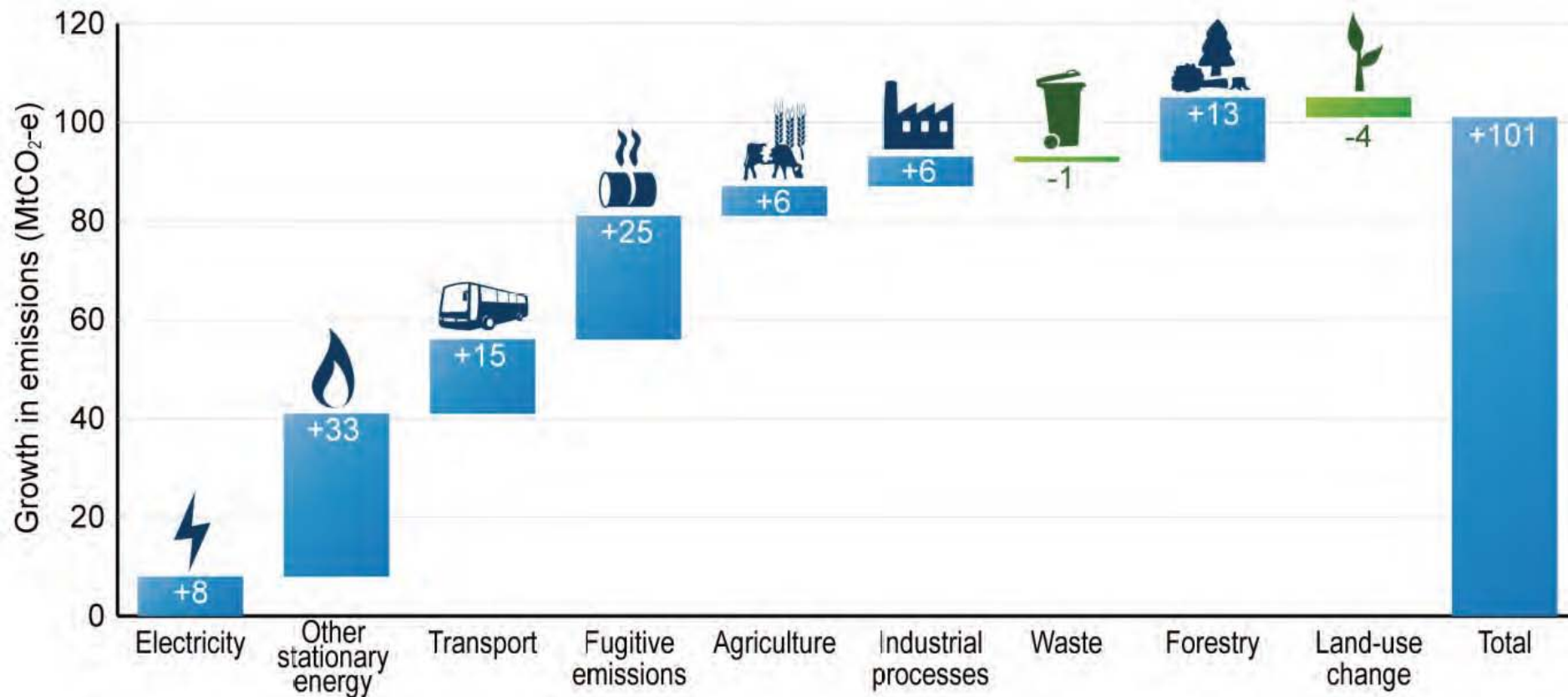
Carbon Pricing Mechanism

- **The objective – cut pollution at lowest cost by a market mechanism**
- The carbon pricing mechanism will be introduced in two stages:
 - On 1 July 2012 the fixed carbon pricing mechanism will commence;
 - On 1 July 2015 transition to a fully flexible price under an emissions trading scheme with the price determined by the market
- Around 500 facilities expected to be covered under the mechanism
- A carbon price will not apply to agricultural emissions, light on-road vehicles or on-site use of fuel by the agriculture, forestry and fisheries industries



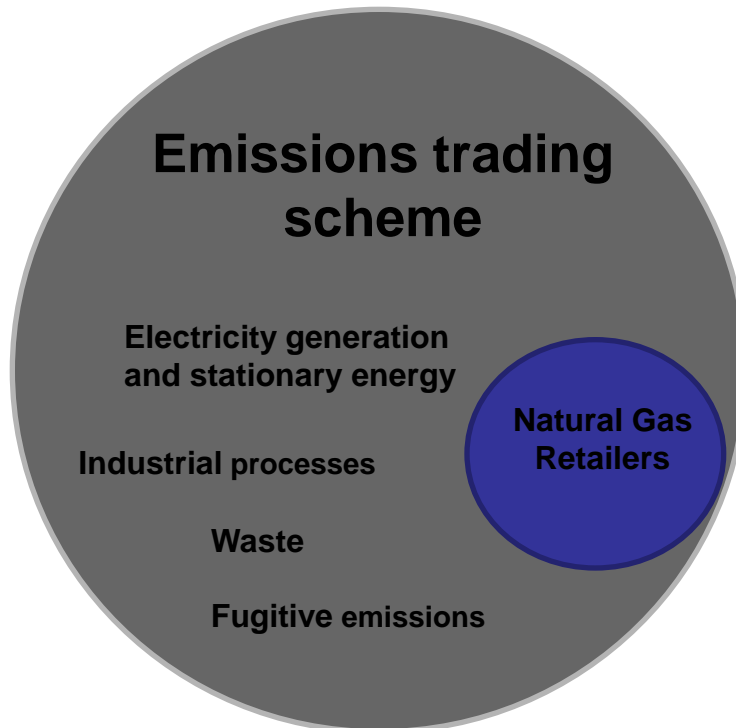
How pollution is growing

Sectoral emissions growth 2010 to 2020





Coverage of Carbon Pricing



Equivalent carbon price

applied through separate legislation to:

- some business transport emissions,
- non-transport use of liquid and gaseous fuels, and
- synthetic greenhouse gases

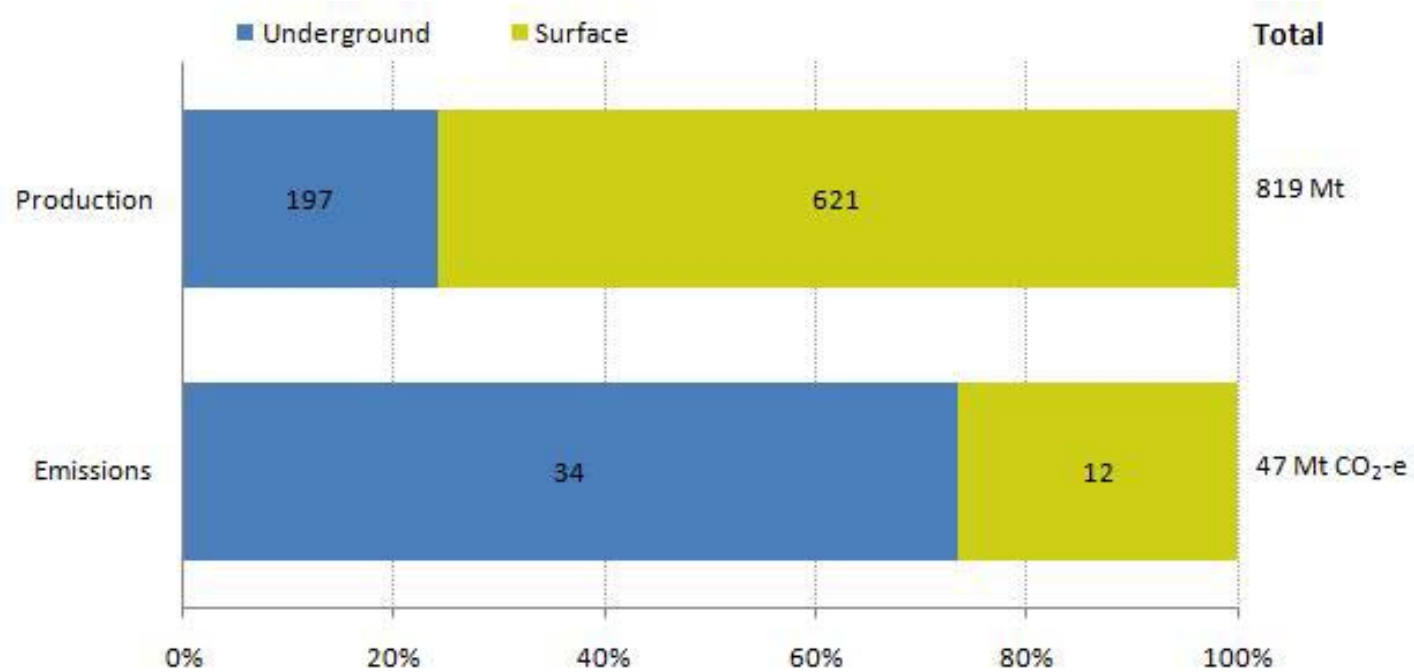
Around 500 liable businesses

All facilities > 25 CO_{2-e} Kt



Fugitive Emissions

Projected production and emissions from underground and surface mines 2020



Source: WoodMackenzie 2010, DCCEE Analysis



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Coal Sector Assistance Programs - Overview

- The package provides assistance to the most gassy mines and supports industry efforts to develop abatement technologies for full scale deployment.
- The two elements of the package are the:
 - Coal Sector Jobs Package
 - Coal Mining Abatement Technology Support Package



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Coal Mining Abatement Technology Support Package (CMATSP)

Objective - To maintain the viability of the Australian coal mining industry under carbon prices by supporting industry efforts to develop technologies to safely reduce fugitive methane emissions and to support smaller operators to develop emission abatement plans.

Funding of \$70 million over five years (2012/13 – 2016/17) to support three areas

1. R&D – Support the research, development and field trials of methane abatement and related technologies;
2. Mine Safety - Work on safety and regulatory issues associated with the introduction of coal sector abatement technologies; and
3. Mine Abatement Plans - Assistance for small and medium coal sector participants to prepare abatement plans.



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CMATSP - Funding Arrangements

- Allocation of funding between three main areas has not been pre-determined.
- Funding will be provided as grants with at least matching contributions for research and safety projects. Companies to provide at least two for one for abatement plans.
- Project selection processes to be determined in consultation with industry.



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CMATSP – R&D Work

Aims to:

- develop technologies to a stage where they are ready for ‘live’ testing at coal mines,
- support these trials;
- address implementation issues; and
- provide support for scaling up of these technologies for large scale deployment.



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Coal Sector Jobs Package (CSJP)

- \$1.264 billion in funding over five years
 - \$218 million available in 2011-12 as pre-payment for 2012-13
- Assistance provided to the 'gassiest' mines
- The provision of assistance is based on protecting the sunk cost of existing investments – does not apply to new mines or expansions in production
- Assistance based on a formula
- Assistance paid to the mine operators or owners who incur the emissions liability.



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What this means for the GMI?

- Australian companies can offset up to 50% of their carbon liability by funding offshore projects.
- Incentive to invest in methane abatement technologies
- Australia will look to GMI to facilitate access to methane abatement projects from 2015

The logo for 'Clean Energy Future' features the words 'clean', 'energy', and 'future' in a lowercase, sans-serif font. 'clean' is green, 'energy' is blue, and 'future' is red. To the right of the text is a stylized graphic of three interlocking loops in blue, green, and red, resembling a ribbon or a stylized 'E'.

cleanenergyfuture

Questions