

# Australian Coal Update



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Coal Sub-Committee Meeting  
Methane to Markets Partnership  
27-29 January 2009  
Monterrey, Mexico



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# Background

- Australia is the 4th largest producer of coal in the world
- Exports for 2007 - 250 Mt of black coal
- 71 Mt of brown coal



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# Coal Emissions

- Fugitive emissions from solid fuels (coal mining and handling):
  - Increased by 47.1% (7.6 Mt) from 1990 to 2006
  - Increased by 8.5% (1.9 Mt) between 2005 and 2006, underpinned by a 3.5% increase in coal production from underground mines



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# Climate Change Policy - Domestic

- Medium-term target: to reduce emissions by between 5 and 15% below 2000 levels by 2020
- Long-term target: to reduce emissions by 60% below 2000 levels by 2050
- Carbon Pollution Reduction Scheme (CPRS) released on 15 December 2008
  - Outlines Australia's emissions trading scheme, to commence 1 July 2010
  - Obligations for the coal sector:
    - CPRS will apply to entities with a facility that has direct emissions of 25 000 tonnes of carbon dioxide equivalent a year or more.



# CPRS - Transitional measures

- Emissions Intensive Trade Exposed (EITE)
- Electricity Sector Adjustment Scheme
  - \$3.9 billion for coal-fired generators
- Climate Change Action Fund
  - \$750 million package over the period 2010-11 to 2014-15, to assist coal mines with high fugitive emissions
    - \$500 million through the *Coal Mining Transitional Assistance Fund* for existing coal mines that are particularly gassy
    - \$250 million through the *Coal Mining Abatement Fund* over five years to promote emissions abatement solutions



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# Coal Projects - CMM

- Greenhouse Gas Abatement Program:
  - \$43.5 million in funding to four projects to facilitate the use of coal mine methane for power generation:
    - Envirogen - Converting Waste Coal Mine Gas to Generate Electricity – Project 1 & 2
    - BHP Billiton - Recovering Thermal Energy from Combustion of Waste Coal Mine Gas
      - Westcliff Colliery: world's first project converting mine ventilation air methane to electricity in full operation for over a year
    - Energy Developments Limited (EDL) - Using Waste Coal Mine Gas to Generate Electricity
- Australian Coal Mine Methane Reduction Program:
  - This project has been overtaken by the CPRS, specifically the *Coal Mining Transitional Assistance Fund*



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# Climate Change Policy - International

- The Australian Government is providing strong support for Low Emission Technology
- Global Carbon Capture and Storage Initiative
  - \$100 million per annum towards a Global Carbon Capture and Storage Institute
    - Mandate: To accelerate the research, development and deployment of industrial-scale demonstration projects



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