Submission to EPA on Greenhouse Gas Emissions Guidelines 2019

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The first part of this submission contains comments about, climate crisis, the EPA and GHGs, is additional information. The second part has comments on the text in the "Background paper on greenhouse gas assessment guidance" by the EPA. The quoted text is in *italics*. At the end is a list of references.

General

In a recent address Swedish climate activist Greta Thunberg , said very succinctly "**You do not have to listen to us children, but listen to the scientists**". The essence of this message should be made very clear to politicians.

Two more quotes that describe the climate crisis. "*A 2°C world might be insurable*," warned Henri de Castries, former Chairman and CEO of insurance giant AXA, "*A 4°C world certainly would not be*." (Marcacci, 2019; Tooze, 2019). Insure Our Future senior strategist Ross Hammond wrote "*Imagine a world where the same company that you purchase fire insurance from also actively insures and finances rogue teams of arsonists. Ironically that's more or less what the insurance industry is doing when it comes to climate change impacts and underwriting fossil fuel expansion*" (Hammond, 2019).

Quoting Prof Carmen Lawrence (2018) *"… Western Australia once had a Social Impact Unit to ensure that the social impacts of development proposals were systematically included as part of the environmental impact assessment procedures of the EPA. Although it did not have any powers based in legislation, the SIU established a close working relationship with the EPA and before its abolition by the Court government was judged to "have considerable success in persuading proponents to commit to social impact management measures as part of their EISs …".* The EPA should ask the government to reinstate in legislation the SIU, in order to get environmental and societal issues properly weighted in the decision making process. The current generation of politicians is probably to young to remember this unit.

An article from South Africa about a Supreme Court of Appeal case "*For years, civil society organisations like the Centre for Environmental Rights, have pointed to the problems created by mining companies, unlike other industries, not being required to comply with national environmental legislation. Instead of environmental authorities having oversight over mines, it was handled by the Department of Mineral Resources (DMR), the authority mandated to promote mining*" (Groundup, 2019). This quote from a South African article shows that as elsewhere, the

importance of independence and oversight. In WA environmental constraints are managed by DMIRS, they should be done by the EPA, to the advisory role, the role of watchdog has to be added.

GHG extraction and storage (or offsets) have to be done at the same time as they are produced. Storage and offsets are to be for hundreds of years at least. The polluter pays now; otherwise it means that future generations pay for the pollution, while current companies reap the profit bonus for not paying for the pollution.

This leads to issue of how we account for all the emissions, which should include the costs of all externalities. It is possible to define externalities as unintentional and unbalanced losses or gains in the welfare of a party resulting from the activity of another party. Or, externalities can be defined as market failures that arise when there is an in-balance between social costs and private costs (Mulgan, 2017; Unerman et al., 2018; Zakkour, 2018). I do not dispute that the oil and gas industry brings financial benefits to the state according to current accounting practices. But, when talking about costs of pollution, negative emissions, global warming etc., how can they be incorporated in the "standard" financial accounting practices? After accounting for externalities is the industry as profitable for the whole of society as they make out to be?

Opposition to tightening of the guidelines by the oil and gas (O&G) industry is understandable, because doing nothing is the cheapest option for them. They like to keep flaring off and delay sequestering CO2. Excessive methane emissions by oil and gas will have a dramatic impact on the global warming in the very short term (Christen, 2004; Howarth, 2014; Howarth et al, 2012). Royalties should be imposed on flared gas, this will result in a drop of flaring because the gas has then a value. Tooze (2019) writes "*... that is precisely what the fossil fuel interest have been lobbying hard to prevent. This resistance may make sense from the industry's narrow point of view, but by blocking proactive decarbonisation and clinging to a vision of fossil fuelled future, it also maximises the risk of a large-scale build-up of stranded assets. It is the old dilemma of conservative politics: By resisting progressive adjustment, they are courting a revolution. For the financial system that is bad news. …*".

A general notion about reviews and submissions regarding environmental issues, like the fracking scientific inquiry, is that "unless you have a vested interest in the existing status quo" your individual submission appears not to be weighted in the same way. Therefore, we like to state that we have a vested interest, namely in less air pollution in order to avoid a runaway climate change. Submissions from O&G have likely references listed to endorse their statements. Most of these references will NOT be peer-reviewed scientific papers. Most large O&G companies internal research over time have concluded that burning fossil fuels cause global warming and their management should be aware of that that should be presiding over potential liability suits if they do not participate or obstruct measures to mitigate GHGs.

EPA's Background paper on greenhouse gas assessment guidance

p5
The Western Australian EPA neither makes state policy nor does it make or enforce environmental regulation.

This has to change, the EPA needs to have teeth and enforcing powers, and otherwise it is too easy for other departments and politicians to override the EPA's advice.

p5
• *The precautionary principle: where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.*
• *The principle of intergenerational equity: the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.*
In making its advice, the EPA can only take into consideration environmental matters; the economic benefits of a proposal are excluded from consideration. It is the prerogative of the state government to weigh the EPA's advice against the proposal's economic and social benefits.

The pre-cautionary principle should be enforced more often, but it is a major problem for the EPA being only an advisory body. Any scientific outcome /process have a uncertainty factor. Getting a medical doctor's advice is not a guarantee that a medical condition will be resolved 100%. Medical science has a degree of uncertainty in it. Arguments from industry that they follow "best practices" is not good enough because best practices get only improved after a distaster and stay that way till the next disaster.

p7
The October 2018 Intergovernmental Panel on Climate Change's Special Report on Global Warming of 1.5°C describes what is at stake if we do not stay well below a 2 degree temperature increase, and the likely degree of emissions reductions that would be required to achieve this. ... Taken together, this information is of concern and cannot be dismissed as speculative or incorrect. At the very least, it points to a significant risk which must feature in decision making, and calls for careful application of the precautionary principle. ... Under the Act, 'emission' means a discharge of waste, and premises that cause or increase an emission are subject to regulation.

The fact that under the Act "emissions" means <u>waste</u>, is a good argument to enforce "emissions waste" reduction. Just because it is invisible does not absolve the polluter from wasting. A colorless toxic liquid substance dumping in a waterway is illegal; therefore GHG pollution is to be illegal. Even DMIRS should be able to prosecute on this, but they have an internal conflict of interest to do so.

p8

It is usual for environmental advice on potential impacts to be based on uncertain information, and where uncertainty is high and the potential consequences severe or irreversible, then regard must be given to the precautionary principle as set out in the Act (s.4A). ... Because greenhouse gas emissions affect local climate through global processes, effective environmental protection requires international recognition of responsibilities by national governments. ... Only the Australian Government can make such treaty-level commitments, and it is therefore appropriate for sub-national jurisdictions to defer to national legislation and policies to meet our international commitments, where those frameworks can be relied upon

That is under official commitments, but what about moral commitments? This is passing the buck, if the Fed Government does not adhere to their international agreements, or cheats with dodgy accounting tricks, State and Local governments still have the moral obligation to setup frameworks that get closer to fulfilling international commitments (Marcucci, et al., 2017).

p9

Australia's emissions for the year to September 2018 were only 11.5 per cent below emissions in 2005 (604.7 Mt CO2 -e), and since 2013 there has been an overall upward increase in Australia's greenhouse gas emissions. ... Growth in LNG also strongly impacted fugitive emissions due to flaring and the venting of methane and carbon dioxide. ... Since the drafting of the 2012 State Climate Policy, the national carbon price has been repealed and the national framework for emissions reductions no longer imposes effective limitations on emissions through either taxation or capped trading.

As soon as the Federal Government abolished the carbon tax the 2012 State Climate Policy should have been re-instated. Since the previous government did not re-instated to policy, the current government should do it.

Regarding emissions at Barrow Island, Wheatstone and emissions in general. When an individual does not fulfil their legal obligations, e.g. not paying their mortgage on time, they will front the courts and face bankruptcy. Why is the mining, oil and gas industry exempt from this principle? A mine should have to stop their production when they do not meet their annual mine dump rehabilitation requirements. And, gas project like Gorgon should be halted until they can sequester the GHG as they are obliged to do. These industries always crow about carrying out "best practice", however if they do not adhere to required carbon sequestration than they follow just "bad practice, as usual". They know they can get away with it, however this is likely in conflict with their social license (Boothroyd, et al., 2016; Economist, 2019; Howarth, 2019; Howarth et al., 2011; Newell & Raimi, 2014).

There need to be regulations in the EPA Act that can enforce legacy emission to be offset. E.g. the emissions at the Gorgon project that not have been sequestered. This could be done through

penalties or payments for the development of negative emissions technologies, where the amounts are to be equivalent to a price on carbon. A price on carbon in the form of a Fee & Dividend scheme as promoted by Citizens Climate Lobby (CCL, 2019) is fairer. A fee is put on carbon emissions; the fee is increased every year by a fixed amount, so it will be easy for companies to budget for. The money raised, the Fee, is distributed equally as a Dividend amongst the population (Tooze, 2019). This dividend is likely to offset more than the cost increases of the products bought and services used. A version suitable for Australia which incorporates border adjustments was researched by the University of NSW (Holden & Dixon, 2018).

Companies probably will raise the issues of sovereign risk and nanny state. If companies would follow rules like good corporate citizens living up to their social licence, there would be no need for extra rules. Nanny states are the result of citizens, both individual and corporate, not doing the right things towards society.

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