

Clean Energy Regulator  
Safeguard Mechanism Branch  
GPO Box 621  
Canberra ACT 2604  
Australia

Date  
3<sup>rd</sup> December 2024

Dear Clean Energy Regulator,

**RE: Section 72C of the NGER (Safeguard Mechanism) Rule 2015, excess surrender situation – Hamersley HMS Pty Ltd**

In accordance with **National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015**, Division 5—Surrender of prescribed carbon units 72C (5); a written explanation of why more carbon abatement was not undertaken at a facility during a period must be provided to the Clean Energy Regulator.

**Hope Downs 1 Mine** has exceeded its baseline by more than 30% in Financial Year 2024.

Please see below Rio Tinto response on behalf of Hamersley HMS Pty Ltd to the Clean Energy Regulator:

*“Increased diesel consumption at **Hope Downs 1 Mine** was primarily due to a higher work index. As mining operations mature and expand further from processing facilities, mobile equipment must travel greater distances to move material, therefore consuming more diesel.*

*Rio Tinto remains committed to reducing diesel consumption in order to meet its Group-level Scope 1 and 2 emissions reduction targets of 50% by 2030 and net zero by 2050.*

*Progress update:*

- 1. Mobile fleet electrification is expected to significantly reduce diesel use in the Pilbara, though many of the required technologies are not yet technically viable.*
- 2. Rio Tinto is advancing these electrification solutions through battery electric haul truck trials in the Pilbara in collaboration with Caterpillar, Komatsu and industry partners. Additionally, battery-swapping electric truck trials are underway in other regions to build confidence and assess suitability for Pilbara operations.*
- 3. Trials are critical to ensure the equipment operates in a safe, reliable and productive manner.*
- 4. Alternative fuels, such as low-carbon renewable diesel, are being explored to complement electrification. This includes assessing both market supply and self-generation options, with potential deployment opportunities in the Pilbara.*
- 5. Renewable energy projects are being progressed to reduce gas consumption and support future energy demand growth. These projects will be pivotal in enabling fleet electrification and reducing diesel use following successful completion of trials.”*

Yours sincerely,



Matthew Holcz  
Managing Director – Pilbara Mines