

Clean Energy Regulator
Safeguard
GPO Box 621
Canberra ACT 2601
Australia

6 December 2024

Dear Clean Energy Regulator,

RE: Section 72C of the Safeguard rule statement

Responsible Emitter: BHP Nickel West Pty Ltd

Facility: NMK01 Nickel West Mt Keith Facility

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.

NMK01 Nickel West Mt Keith Facility has exceeded its baseline by more than 30% in Financial Year 2024. Please refer to the explanation below for a summary of why the facility has exceeded more than 30% of baseline:

1. Increased operational diesel consumption has been impacted by varying ore grade and strip ratios, as well as increasing haulage distances at our Mt Keith Satellite mine located approximately 20km south of the processing plant. In comparison, the original Mt Keith pit is located approximately 2km from the processing plant where extracted ore is transported. This has resulted in increased Scope 1 transportation emissions which are challenging to mitigate at the commercial scale. Currently, there are limited technologies to achieve haul truck electrification to meet commercial applications.
2. Currently, there is limited technology for diesel displacement and fleet decarbonisation available for commercial use. It is expected that this will be addressed in the future as the technology matures and is accessible at commercial scale. BHP is actively working with original equipment manufacturers in this area to expedite an outcome.
3. Following BHP's decision in July 2024, to temporarily suspend Nickel West's operations from October 2024, future carbon abatement projects will be considered in any operation restart scenario.

Yours sincerely,



Chris Stone

Vice President Nickel West

BHP

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