

11 March 2025

Clean Energy Regulator
Safeguard Mechanism
GPO Box 621
Canberra ACT 2601

To whom it may concern

Re: FY2023/24 – Amount of ACCUs being surrendered is greater than 30% of the facility's baseline

As the Responsible Emitter, Pembroke Resources Nominee Pty Ltd, we hereby provide a written explanation of why the total amount of ACCUs being surrendered is equal to or greater than 30% of the facility's baseline emissions number during FY2023/24.

1. Olive Downs commenced mining prior to the introduction of the Safeguard legislation, but the transitional arrangements didn't anticipate the unique circumstance of a greenfield mine such as Olive Downs that was already committed, constructed and in production but where the designated ROM coal threshold appropriate to other mines in production could not (then) apply (this is only possible when the mine is fully ramped up). As such the operation did not have an emissions intensity determination.
2. As a result, a default floor baseline of 100,000 CO₂-e applies for 23/24 financial year and Olive Downs fully complies with the Safeguard requirement, surrendering the ACCUs based on the 100,000t baseline that is automatically set.
3. Surrendering ACCUs at the higher default level baseline was the most practical way of dealing with the circumstance of Olive Downs (referred to in 1. above) pending ongoing discussion with the Regulator and Department to determine about the appropriate Baseline levels in this unique circumstance.
4. It should also be noted that Olive Downs only commenced generating revenue from coal sales at the very end of the 23/24 year. During this very early stage of operations, ie the initial ramp up phase, the operation is not yet generating regular profit and was not in a position to make any further investments for abatement, nor were the restrictive funding arrangements able to provide funds as they were entered into several years prior to Safeguard.

Yours sincerely



Yoko Kosugi
Chief Financial Controller
Executive Officer, NGER EER Role