



27th October 2021

Submission

Corporate Emissions Reduction Transparency (CERT) report Consultation paper

GFG Alliance Australia (“GFG”) has prepared this short submission on behalf of its business’s in regard to the CERT consultation pack (“Discussion Paper”).

GFG has operations across Australia that include iron ore mining, underground coal mining, steelmaking (both integrated BF/BOS and electric arc steelmaking sites), ferroalloy manufacturing, downstream steel product manufacture with rolling mills, pipe & tube mills, wiremills, steel reinforcing, and distribution centres, and ferrous and non-ferrous scrap recycling.

GFG supports both the Paris Agreement and Australia meeting its Nationally Determined Contribution of 26 - 28 per cent based on 2005 emission levels by 2030. In order to maintain temperatures at reasonable levels it will be necessary to achieve zero net emissions in the later part of this century. The CEO of GFG global operations has set a target of GFG global operations becoming carbon neutral by 2030 known as CN30. GFG recognises that achieving these targets will be difficult, particularly in the harder to abate sectors like iron and steel manufacturing where also keeping production costs at globally competitive levels is critical to the viability of a highly trade- exposed and energy-intensive Australian steel industry. Hence new and emerging technology is an important consideration.

For further information or clarification in relation to this submission, please contact Phil Ridgeway, Principal Environmental Sustainability on tel: 0419476293.

Submission

Pack Document: Corporate Emissions Reduction Transparency report -Consultation paper

- No material comments to offer at this stage.

Pack document: Corporate Emissions Reduction Transparency Report Draft Guidelines – For Pilot (FY20-21 and CAL21)

Page12 Calculation of Renewable Electricity %

- The calculated Renewable Electricity %, the Total electricity consumption includes self-generation.
- This self-generation for an integrated steelworks includes generation from blast furnace and coke ovens waste gas (BFG/COG) where that Scope 1 already accounted in emissions at the Blast Furnace and Coke Oven (treated as fully combusted in NGERS). If the site did not use these waste gases for site processes (fuel) or electricity generation, they would be vented (but already treated as fully combusted in NGERS).
- So in essence BFG and COG come to powerhouse as CO₂-e = 0. However in the proposed CERT a notional CO₂-e value is assigned to these waste gases as part of the “residual mix” component.
- In calculation on page 12, in such a situation where waste gases are used for electricity self-generation even if 100% renewable electricity is imported, the Renewable Electricity % will never get to 100% whilst the self-generation component is treated in the above manner with a notional CO₂-e content. If a site stopped using the waste gas for electricity generation and just vented the waste gas (with no change in Scope 1 in doing so), and imported more electricity in lieu then the outcome Renewable Electricity % would increase, which is not an efficient outcome. We duly note that the waste gases are derived from fossil fuels and metallurgical materials in ironmaking and steelmaking processes and the steel industry is seeking technologies to displace this in reducing emissions. We just at present seek to point out a limitation with the calculation on pg12.

END.