



ASSISTANT SECRETARY, ENERGY SECURITY BRANCH

DEPARTMENT OF THE ENVIRONMENT AND ENERGY

**NOTICE UNDER SECTION 17A OF THE *FUEL QUALITY STANDARDS ACT 2000*
CONCERNING AN APPROVAL TO VARY THE *FUEL STANDARD (AUTOMOTIVE DIESEL)*
DETERMINATION 2001 GRANTED UNDER SECTION 13 OF THAT ACT**

I, Tim Wyndham, Assistant Secretary, Energy Security Branch, delegate of the Minister for the Environment and Energy, provide the following information concerning my decision to grant an approval under section 13 of the *Fuel Quality Standards Act 2000*.

Name of approval holder

IOR Energy Pty Ltd

Period of operation

The approval comes into force on 1 January 2020 and remains in force for the periods specified below.

Details of the approval

The approval varies the fuel standard for diesel set out in the *Fuel Standard (Automotive Diesel) Determination 2001* (the Diesel Determination) so that:

- Automotive diesel containing a minimum density of 790 kg/m³ and a maximum sulfur content of 125 mg/kg will be taken to comply with the relevant parameters specified in the Diesel Determination in respect of the supply of automotive diesel under contract to commercial users for use in underground mining applications (referred to as Eromanga Underground Mining Fuel) until 31 December 2022.
- Automotive diesel containing a minimum density of 800 kg/m³ and maximum sulfur content of 50 mg/kg will be taken to comply with the relevant parameters specified in the Diesel Determination in respect of the supply of automotive diesel under contract to commercial road users (referred to as Commercial Road Customer Fuel) until 31 December 2022.

The approval applies to automotive diesel supplied by the approval holder and the regulated persons specified in Annexure 1 of the approval.

The approval is granted subject to the conditions specified in section 17 of the Act and the conditions specified in Annexure 2 of the approval.

Summary of reasons for the approval

Having consulted with the Fuel Standards Consultative Committee as required by section 24A of the Act, I grant the approval as provided for in section 15 of the Act for the following reasons:

a) The protection of the environment

The use of Eromanga Underground Mining Fuel will be geographically limited to underground mining applications in New South Wales and Queensland. Emissions in underground mines are closely regulated by state governments and mining operators. Under these circumstances it is unlikely that there will be any significant impact on the environment from the use of this fuel.

The Commercial Road Customer Fuel appears to be of a high environmental quality with low aromatics and high cetane. Aside from its sulfur content, it seems to be a relatively clean fuel that would contribute to reducing some toxic emissions and the protection of the environment.

b) The protection of occupational and public health and safety

Monitoring of emissions in underground mines is undertaken to ensure the health of all workers in confined mine environments is protected. Equipment and vehicles using Eromanga Underground Mining Fuel in underground mining applications must meet state emission standards.

In general, high levels of sulfur in diesel increase emissions of particulates into the atmosphere. A number of studies have indicated that diesel particles are mutagenic and carriers of compounds which are suspected of contributing to the rise in cancer cases in city areas with a large proportion of diesel fuelled vehicles. Furthermore, in June 2012, the International Agency for Cancer Research classified Diesel Particulate Matter as a known human carcinogen (Group 1).

As the proposed coverage area for the supply of Commercial Road Customer Fuel is restricted to 300 km from the Eromanga Refinery or from the outlet at Innamincka, South Australia, any adverse impacts on occupational and public health and safety arising from the approval would be limited.

c) The interests of consumers

It is in the interests of consumers to have a choice of products available for use. Eromanga Underground Mining Fuel provides an alternative to fuels supplied by other companies and is apparently preferred by mine operators.

The introduction of a 10 mg/kg sulfur limit for automotive diesel in January 2009 enabled introduction of ADR80/03 (Euro 5) emission standards for heavy vehicles. The use of diesel containing greater than 10 mg/kg sulfur in vehicles certified to ADR80/03 may affect vehicle warranties and is not recommended. To mitigate any impacts on the interests of consumers the sale of the Eromanga Underground Mining Fuel and the Commercial Road Customer Fuel will be limited to contracted commercial users only and appropriate labelling information must be provided.

d) The impact on economic and regional development

IOR's refineries and plants provide employment opportunities for the local community in regional areas of Queensland, Northern Territory, South Australia and New South Wales. Commercial industries also benefiting from IOR include cattle transporters, long haul freight operators, local shire councils, regional mining and pastoral companies.

Tim Wyndham
Assistant Secretary, Energy Security Branch
24 October 2019