

Heavy industry co-operates to take on climate change challenge

Nick O'Malley

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A group of Australia's largest industrial companies has joined a new initiative designed to help them co-operate to reduce greenhouse gas emissions from operations and supply chains.

Companies including BHP, Woodside, BlueScope Steel, BP Australia, Orica, APA Group and Australia Gas Infrastructure Group — which together represent 13.6 per cent of Australian industrial greenhouse gas emissions — have signed on to the Australian Industry Energy Transitions Initiative, which hopes more will soon join.

The initiative is to be chaired by Simon McKeon, Chancellor of Monash University, former CSIRO Chairman and 2011 Australian of the Year.

He said that the Australian business and industry community was deeply concerned about climate change and over the years had at times felt constrained rather than supported by governments in its efforts to address it.

"This [initiative] is not about corporate window dressing; it is about growth and success and in some cases even survival," he said.

He said industry leaders were aware that public scrutiny of every aspect of business operations and their impact on climate change was high and would rapidly increase, leaving those who could not demonstrate how they were rapidly pursuing net zero emissions at significant risk.

Professor McKeon said that the group's members had already decided that in its decision-making and public positions it would pursue a majority-rules principle and would not be constrained by interests of individual members.

The group aims to help its members decarbonise crucial industrial processes that provide high-export earnings for Australia but remain stubbornly carbon intensive, such as the manufacture of products such as steel, aluminium and other metals such as lithium, copper and nickel, and chemicals including explosives and fertiliser.

The group has also been joined by financial and services sector representatives such as NAB and Australian Super, and has research ties with the CSIRO and The Rocky Mountain Institute, a leading United States research group specialising in resource and energy efficiency.

It is convened by the not-for-profit bodies ClimateWorks Australia and Climate-KIC Australia in collaboration with the Energy Transitions Commission.

ClimateWorks chief executive Anna Skarbek, one of the driving forces of Initiative's creation, said such initiatives were crucial because emissions were a threat that did not observe national boundaries and because there were commercial advantages in addressing the problem.

"That's why a supply chain approach is vital," she said. "Globally, many countries and businesses are already moving to decarbonise supply chains in heavy industry sectors. There are huge opportunities for Australian businesses if they take a proactive approach to getting into this race."

World's largest solar farm and battery to export green energy

Nick O'Malley

The Age

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A plan to build the world's largest solar farm and battery in the Northern Territory and connect it to supply power to Singapore and Indonesia has been granted "major project status" by the federal government.

Energy and Emissions Minister Angus Taylor said the \$22 billion project, known as the Australia-ASEAN Power Link and backed by Atlassian's Mike Cannon-Brookes and Fortescue Metals founder Andrew Forrest, would help Australia maintain its position as a leading energy exporter.

"As technologies change, we can capitalise on our strengths in renewables to continue to lead the world in energy exports," he said.

The project, if completed, would provide Singapore with up to 20 per cent of its power supply by 2027, and dispatch power to the Northern Territory and Indonesia, earning \$2 billion per year.

"The battery will be 150 times the size of [the South Australian big battery at] Hornsdale, so it's insanely large," Mr Cannon-Brookes told the National Smart Energy Summit in Sydney in December.

"The longest subsea cable at the moment is 1900 kilometres, there are a couple of others under construction, but at three and a half thousand clicks it is getting to the limit. I suspect it will still be the longest by the time it's built." But he said the scale of the project was manageable.

"There's nothing engineering wise in the individual component parts that says it can't be built," he said. The recognition of the project by the federal government as being of national significance this week will see it win help securing state and federal approvals. Industry, Science and Technology Minister Karen Andrews said the project would create 1500 jobs during construction and 350 ongoing jobs. "It's a strong statement to all Australians that despite the immediate challenges of the COVID-19 pandemic we will come out the other side stronger and industry is still investing in opportunities that will drive our economic recovery," she said. In June Mr Cannon-Brookes backed an economic stimulus plan developed by the climate change think tank Beyond Zero Emissions that would accelerate new energy transmission and storage projects and a national housing retrofit program designed to eliminate energy bills for low-income households. "We can build a renewable energy superpower with a very low cost of energy generation," he said at the launch of the strategy, one of several green stimulus packages made public by industry groups and think tanks since the COVID-19 pandemic stalled the economy. "We can use this as an opportunity to electrify so much of our economy, in lots of different ways. We can use it to build a better strategically positioned economy for the future," he said.

Big Oil Has Never Lost This Much Money

Brian Kahn *Gizmodo* **August 1, 2020**

It's never been a worse time to be an oil company. Even the [biggest of Big Oil firms](#) are falling apart like shoddily built McMansions on a patch of quicksand.

The latest to start to sink is Exxon and Chevron, which each reported their largest quarterly loss in history on Friday. This comes a day after reports emerged that Exxon is considering layoffs and other forms of cost-cutting while [ensuring shareholders get paid](#). The stunning reversal of fortunes for some of the world's greatest climate villains is another sledgehammer blow to the hegemony of oil.

Exxon lost \$US1.1 (\$2) billion in the second quarter this year, according to its [latest investor report](#). Last year over that same period, it recorded a profit of \$US3 (\$4).1 (\$4) billion. The company's top line reason for the loss is an increasingly familiar one: "global oversupply and covid-related demand impacts." Those two factors were vividly illustrated this spring when record amounts of oil was being [stored in offshore tankers](#) around the world and [air pollution plummeted](#) as people sheltered in place to avoid getting sick. Now, they're showing up clear as day in Exxon's accounting books.

All told, the company has suffered \$US1.7 (\$2) billion losses so far this year. Which actually pales in comparison to Chevron, which reported a \$US3 (\$4) billion loss, its largest since 1989. Bloomberg [cheerily labelled](#) a graph charting it as an "earnings bloodbath." So yeah, that's where we're at.

The huge losses couldn't have happened to nicer companies. Both have spent decades being total shitheads about the climate crisis, [stalling action](#) and [denigrating activists](#) as well as the [very goal of decarbonization](#). They've been fighting a losing battle in recent years, though. Activists have successfully turned public opinion [against Big Oil](#), and the finances of drilling and selling a toxic substance have become a little more challenging.

A [growing number of banks](#) have said they will no longer fund risky forms of Arctic drilling and with smaller oil companies now [defaulting on loans](#) due to the pandemic, it's possible the purse strings will pull even tighter. Oil companies have been left to scramble to find other uses for a product going out of style. Petrochemicals have been an area gas and oil companies have expanded into aggressively, and the plastic industry has aggressively tried to use the pandemic to its advantage. That includes pushing the [bunk idea that plastic bags are more sanitary](#) in an effort to get states and cities to roll back or at least delay bag bans. In its earnings statement, Exxon said it would also look to capitalise on the pandemic by continuing a pivot to hand sanitizer and making plastic PPE. That's good and all since those are objectively helpful things in a pandemic and will keep people employed. While it may seem like the pandemic will never be under control thanks to [feckless federal leadership](#), though, making PPE and hand sanitizer are not a sustainable, long-term business strategy for a \$US1.7 (\$2) billion company built on digging fossil fuels out of the ground to poison the planet. Then again, going back to business as usual isn't exactly sustainable either. Luckily, there are [some concrete steps](#) to a better way forward.