



Commonwealth of Australia

Carbon Credits (Carbon Farming Initiative) Act 2011

DETERMINATION UNDER SUBSECTION 133(4)

I, *MARK DREYFUS*, Parliamentary Secretary for Climate Change and Energy Efficiency, acting under subsection 133 (4) of the *Carbon Credits (Carbon Farming Initiative) Act 2011* ('the Act') hereby determine that, for the purposes of section 133 of the Act, the estimate specified in the Schedule to this instrument is taken to be conservative.

This instrument may be referred to as the *Carbon Credits (Carbon Farming Initiative) (Conservative Estimates, Projections or Assumptions: Greenhouse FriendlyTM Initiative Transitional Crediting Calculation (Alternative Waste Treatment)) Determination 2012*.

This instrument commences on the day it is made.

Dated 13th November 2012

Mark Dreyfus

Parliamentary Secretary for Climate Change and Energy Efficiency

Schedule: Estimate covered by determination

1.1 Specified estimate

(1) This determination applies to the method used for estimating the net annual abatement for a project for each year in the first seven-year crediting period for the project, which entails dividing by seven the net abatement calculated for the duration of the entire project (the *specified estimate*).

NOTE 1: This estimate is used in methods in proposals for methodology determinations under the Act for estimating greenhouse gas emissions abatement from carbon offsets projects that formerly operated under the Greenhouse Friendly™ initiative concerning alternative waste treatment.

NOTE 2: As total project abatement is credited in the first crediting period, the net annual abatement for any subsequent crediting period is equal to zero.

(2) For the purposes of subsection 133 (4) of the Act, the specified estimate is determined to be conservative if it meets the requirements set out in clause 1.2 of this schedule.

NOTE 2: Under the offsets integrity standards in section 133 of the Act, any estimate, projection or assumption in a method in a determination should be conservative, and can be deemed to be so by legislative instrument made by the Minister under subsection 133 (4).

1.2 Estimate requirements

(1) The specified estimate must meet the following requirements:

- (a) the estimate is involved in a method specified in a proposal for a methodology determination under the Act, which applies to alternative waste treatment projects transitioning from the Greenhouse Friendly™ initiative; and
- (b) the Domestic Offsets Integrity Committee is satisfied that a project proponent using a methodology determination based on a methodology proposal of a kind specified in paragraph (a) of this clause would have received more carbon revenue under the Greenhouse Friendly™ initiative than under the Carbon Farming Initiative, as calculated in accordance with clause 1.3 of this schedule.

1.3 Carbon revenue calculations

Greenhouse Friendly™ initiative carbon revenue calculations

(1) For the purposes of paragraph 1.2 (b) of this schedule, calculations relating to the carbon revenue that a project would have received under the Greenhouse Friendly™ initiative must:

- (a) take into account only waste that the project caused to be diverted from landfill between 1 July 2010 and 30 June 2012; and
- (b) use the Greenhouse Friendly™ initiative calculations as applied in the final year for which credits were issued under the Greenhouse Friendly™ initiative; and
- (c) be based on evidence that:
 - (i) is provided to the Domestic Offsets Integrity Committee before a decision is made under section 112 of the Act in relation to the methodology proposal that, if endorsed, would apply to the project; and

- (ii) shows the sale price for Greenhouse Friendly credits from the project.

Carbon Farming Initiative carbon revenue calculations

- (2) For the purposes of paragraph 1.2 (b) of this schedule, calculations relating to the carbon revenue that a project would receive under the Carbon Farming Initiative must:
 - (a) take into account only waste that the project caused to be diverted from landfill between 1 July 2010 and 30 June 2012; and
 - (b) calculate the emissions trajectory that would have occurred had the waste not been diverted from landfill using the Solid Waste Calculator; and
 - (c) using the abatement projected for the years 2010 to 2016 by the Solid Waste Calculator, deduct the average state or territory landfill gas capture rate of emissions from projected abatement to account for default capture efficiency of landfills; and
 - (d) for composting facilities, assume emissions under the project calculated by applying a factor of 0.17 to waste deposited in a year are emitted that year; and
 - (e) for anaerobic digestion facilities, assume emissions under the project calculated by applying a factor of 0.02 to waste deposited in a year are emitted that year; and
 - (f) calculate project abatement over the first seven years of the project by subtracting from the number calculated in (c) the numbers calculated in (d) and (e) above; and
 - (g) determine the carbon revenue by assuming that credits for all project abatement calculated in accordance with (f) were sold upon their generation for \$23 each.

1.4 Interpretation

- (1) In this Determination:

Carbon Farming Initiative means the scheme established under the Act; and

Greenhouse Friendly™ initiative has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Regulations 2011*.

- (2) Any other words and phrases that are used in this determination and are defined in the Act take on that defined meaning.