

21 March 2013

Jenny Wilkinson  
Deputy Secretary  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
Canberra ACT 2601  
Jenny.Wilkinson@climatechange.gov.au

Dear Ms Wilkinson

**Implementation of “carry over” rules**

The Australian Landfill Owners Association (**ALOA**) represents landfill owners across Australia, and our members receive and manage over 70 percent of the total solid waste generated nationally. ALOA has been actively engaged in the development and implementation of the Clean Energy Legislative Package over the last two years.

We are writing to ask for an update on the work being undertaken by the Department with respect to the domestic implementation of the “carry over” rules under the Kyoto Protocol.

Our understanding of this issue is as follows:

- under international rules, Australia may carry over certain Kyoto units from the first commitment period (which have not been retired or surrendered) into the second commitment period
- there are restrictions under the international rules on the extent to which Australia can carry over these Kyoto units (eg ERUs and CERs may each be carried over to a maximum of 2.5% of a Party’s initial assigned amount)
- there is specific provision to make regulations on “carry over” rules under section 40 of the *Australian National Registry of Emissions Units Act 2011*, and
- the Department is preparing a discussion paper on options for Australia’s carry over rules which will be released for public consultation in the next few months.

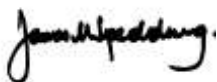
Please can you confirm whether our understanding is correct and provide any available details on the proposed process and timelines for developing and implementing Australia’s carry over rules.

We would be especially interested to know whether the Department expects the carry over rules to be in place prior to the commencement of the caretaker period in August 2013.

A number of our members have a keen interest in this issue, particularly in the context of existing contracts or future purchasing decisions involving Kyoto units from the first commitment period.

We would be happy to discuss this issue further with the Department at any time, and we look forward to your response. I can be contacted on (03) 8399 9514 or mobile 0400 880 677.

Yours sincerely



Max Spedding  
Secretary/Spokesperson  
ALOA