

ALOA - CFI doesn't deliver on offsets

Posted Date: 12/03/2012

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ALOA has called into dispute the Federal Government's claims about the number of credits available under Carbon Farming Initiative (CFI) for the destruction of landfill gas.

ALOA's call comes in light of [press statements](#) from Federal Climate Change Minister Greg Combet's office in 2011, which stated -



"Landfill site operators can start planning projects based on the [landfill gas] methodology now and apply to participate in the Carbon Farming Initiative when the scheme starts operating in December."

"Credits created under this methodology are expected to exceed the carbon price liability on the landfill waste sector in the period to 2020."

However, ALOA spokesperson Max Spedding disputed these claims. "We're concerned and disappointed that the CFI is not going to meet the expectation that were presented by the government late last year," he said.

Spedding explained the discrepancy was due to the need for those seeming to claim credits to prove 'regulatory additionality' under the CFI.

"The provisions of [the Act](#) set 'additionality', the level at which you are able to begin creating credits, at the regulatory level in each state - so basically it says that 'additionality' will be set above the Federal, State and Territory regulations," he said.

Giving an example of this, Spedding said that in Victoria and the ACT, landfills were required to limit their emission of methane through their caps to 100 ppm_v, but that achieving such a high concentration reduction requires an "extensive gas field".

"At the moment NGER modelling only allows you to have [a maximum capture efficiency of] 75% under 'Method One' and 85% under 'Method Two'. So the [100ppmv] figure is up near the NGER limit on collection efficiently," he said.

While the emissions standards were set at 500 pmm_v methane in Queensland, NSW, Tas and WA (with no requirements in SA and the NT), Spedding said that 'regulatory additionality' also required an additional hurdle.

"You may have a landfill in NSW, that while it has overall requirement to achieve less than 500 ppm_v - it may also have a requirement that was set to have a gas collection system at the completion of the filling of each fill as part of its licence." "These kinds of licence conditions vary, depending on the age of the licence and the state. There is a myriad of varying conditions, but because these licences are granted by the State, they're extensions of the regulatory conditions."

Based on this, Spedding said that it was difficult for landfill operators to judge whether they were eligible for the scheme. "There isn't one basis for Australia, and secondly a landfill that may pass the general State regulation may still be denied access to the scheme."

"I think at this stage, we're probably only looking at 10% of sites that would have adopted the scheme under the premise of a common baseline would consider going forward."

Spedding also said it was important that the issue be resolved promptly, as the number of credits available under the scheme were declining with time. "The longer this confusion goes on unaddressed, the less chance you have of capturing the gas, because legacy gas is in decline from this year onwards."

"We're calling on the government to amend the legislation to achieve what is had forecast. An amendment to the legislation could be an the exemption of legacy gas collection system from regulatory additionality."

"That was to provide an opportunity for regional Australia to collect the gas, create revenue, and create jobs."