



Australian Government

Department of the Environment and Energy

EMISSIONS REDUCTION ASSURANCE COMMITTEE Submission Template

Emissions Reduction Fund landfill gas method review

Carbon Credits (Carbon Farming Initiative—Landfill Gas) Methodology Determination 2015

Overview

The Emissions Reduction Assurance Committee is reviewing the landfill gas method. The review will assess whether the method continues to satisfy the offsets integrity standards set out in section 133(1) of the *Carbon Credits (Carbon Farming Initiative) Act 2011*. The Committee is seeking feedback from the public to assist the review.

This submission template should be used to provide comments to the Committee on the landfill gas method. The discussion paper published on the Department of the Environment and Energy's website alongside this template outlines the key issues identified by the Committee. The questions provided in the paper should be used as a guide when preparing your submission. When preparing your submission please give evidence and/or reasoning to support your answers.

Contact Details

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Confidentiality

All submissions will be treated as public documents, unless the author of the submission has requested the submission not be published on the grounds its publication could reasonably be expected to substantially prejudice the commercial interests of the author or another person. Public submissions will be published in full on the Emissions Reduction Assurance Committee website, including any personal information of authors and/or other third parties contained in the submission. Confidential submissions will not be published but will be provided to the:

- Emissions Reduction Assurance Committee
- Department of the Environment and Energy

If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication. Please note that a request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential? Yes No

Submission Instructions

Submissions should be made by **close of business** on the day the public consultation period closes for the review. This date will be specified on the website. The Emissions Reduction Assurance Committee reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address – EmissionsReductionSubmissions@environment.gov.au
Submissions may alternatively be sent to the postal address below to arrive by the due date.

Emissions Reduction Assurance Committee Secretariat
Department of the Environment and Energy
GPO Box 787
CANBERRA ACT 2601

Name of determination: *Carbon Credits (Carbon Farming Initiative—Landfill Gas) Methodology Determination 2015*

Please provide your feedback on the additionality of the landfill gas method

- What are the major drivers for the installation of gas capture on landfill sites?
- There have been material changes in electricity prices since the method was made. How has this affected investment in the landfill gas industry?
- Have there been any changes in state and territory regulation that would result in a greater amount of landfill gas capture since the method was made in 2015?

- The major drivers for the installation of gas capture on landfill sites are opportunities to improve community relations, manage odour compliance issues, revenue generation (ACCU's) from landfill gas flaring and the sale of electricity, management of O H and S matters including landfill gas migration.
- The variations in electricity prices do not necessarily influence the capture rate of landfill gas.
- Very few landfill operators are influenced by the electricity price. The volatility of electricity prices may influence the viability of future projects where the proponent anticipates that the variation in electricity prices creates too much risk for the project.
- Landfill gas capture projects, are by their nature, long term projects (up to 25 or 30 years) therefore the risks associated with both the volatility of electricity prices and more importantly changing government policy can make securing finance challenging.
- The major change to state and territory regulation since 2015 was the re-issue of the NSW Landfill Guidelines, but these new Guidelines have not necessarily resulted in greater amounts of landfill gas capture.

Please provide your feedback on the calculations used to determine the net abatement amount for a project

- If the current framework for calculating the regulatory proportion is retained, what changes could be made to provide a more accurate estimate?
- Noting the proponent must use the higher of the calculated or default regulatory proportion, is the calculation conservative (i.e. more likely to underestimate abatement than overestimate abatement)?
- Would a measured baseline be preferable to the current baseline calculations? How could a measured baseline be implemented?
- Is there a reasonable alternative to the current baseline calculations?

- Because the current framework is an agreed average performance of a broad range of landfills varying in size, weather conditions, waste types and regulatory framework, no changes are suggested.
- Because of the variability of landfill operations as per above, ALOA has no comment in relation to whether the calculation is conservative.
- The current baseline is preferred to any other form of baseline calculation.
- No change is suggested by ALOA.

Please provide your feedback on the 30 per cent default regulatory proportion

- How do state and territory guidelines translate to actual site licence conditions? How do site licence conditions translate into practice on a site?
- Does the default regulatory proportion adequately reflect observed regulatory capture rates? If not, is there a practical and conservative way to calculate the regulatory proportion?

- ALOA has no comment to make in relation to state and territory guidelines translating to actual site conditions in relation to the 30 percent default regulatory proportion.
- The default regulatory proportion adequately reflects the observed regulatory capture rates and there is no practical way to calculate a precise regulatory proportion.

Please provide feedback on the value used for the oxidation factor

- Does the 10 per cent oxidation factor represent a reasonable and conservative estimate of the rate at which methane oxidises in landfills in Australia?
- Should an alternative approach be adopted to account for oxidation (e.g. a regional-based approach or one that accounts for the design and location of the landfill)

- The 10 percent oxidation factor represents a reasonable estimate of the rate at which methane oxidises in Australian landfills based on the current level of research and knowledge in Australia. Research external to Australia is not relevant as weather conditions and waste composition are significantly different.
- ALOA does not believe that an alternative approach be adopted to account for oxidisation.

Please provide feedback on the application of the landfill gas method to small and medium landfills

- What are the main drivers of decisions to install landfill gas capture and combustion systems at small and medium landfills?
- What are the main barriers to establishing landfill gas capture and combustion systems at small and medium landfills?
- What would be the minimum size a project would have to be to be viable under the landfill gas method?
- Are there aspects of the method that do not reflect the circumstances of small or medium landfills?
- What changes would assist small to medium landfills to participate in the Emissions Reduction Fund, and would these be consistent with the offsets integrity standards?
- Could the method be varied to incorporate other technologies that would make landfill gas abatement projects more feasible at small and medium sites?

- The main drivers in small to medium landfills to install landfill gas capture and combustion systems are regulatory, particularly if any odour nuisance is being created.
- The main barriers in small to medium landfills establishing landfill gas capture and combustion systems are cost, lack of regulatory effort and lack of expertise.
- ALOA is unable to offer the minimum size project that would be viable under the landfill gas method.
- ALOA is unable to offer which aspects of the method do not reflect the circumstances of small or medium landfills.
- The main changes to assist small to medium landfills to participate in the ERF would be an increase in financial reward and a reduction in complexity.
- ALOA believes that the method should also be reviewed in order to provide support for new and emerging technologies such as purification of landfill gas to gas grid standard or for use in vehicles. These technologies are approximately twice as efficient at producing energy from landfill gas as the conventional electricity generation.

Please provide your feedback on potential gaming opportunities under the landfill gas method

ALOA has not comment on this matter.

Please provide feedback on transaction costs and usability of the method

ALOA has no comment on this matter as the transaction costs and usability are highly variable across various landfill operations.

If you have any other feedback on the landfill gas method, please provide it here

ALOA has no other comments, but thanks the Committee for this opportunity to add to their consideration.