

Submission

To Emissions-Reduction-Submissions@environment.gov.au
Department of the Environment and Energy

From Colin Sweet, CEO
Australian Landfill Owners Association

Date 26 April 2019

Subject **Submission - Carbon Credits (Carbon Farming Initiative—Landfill gas) Methodology Determination Variation 2019**

Thank you for your prompt response to our earlier letter requesting an extension to the consultation period for this important piece of legislation.

We are now in a position to present our comments which are detailed below.

About ALOA

The Australian Landfill Owners Association (ALOA) was formed in late 2008. It is an incorporated entity with members from across Australia.

Modern landfills are an essential element in today's integrated waste management infrastructure as landfills:

- Offer cost effective and reliable disposal of recycling and processing residues and unsorted wastes;
- Manage greenhouse gas emission by methane collection and combustion;
- Provide a source of renewable energy;
- Have the flexibility to accept variable waste volumes; and
- Are reliable last resorts for the acceptance of large volumes of 'disaster' waste.
- Member landfills provide services to the general public, local government, industry, property developers, mining and agriculture.

ALOA members receive and safely manage the disposal of almost three quarters of the waste landfilled in Australia.

Since its inception ALOA has defended the interests of its members in national and state issues. In particular, ALOA campaigned for fairer treatment under the 'carbon' tax and worked closely with the Australian Local government Association (ALGA) to develop the Voluntary Waste Industry Protocol to utilise collected carbon tax monies.

ALOA is governed by a 'national' board and has state 'chapters' in each of the mainland states.

Comments re the current exposure draft

Section 13A

The amendments in Section 13A(2) do not appear to incorporate ERAC's report findings that new electricity generation projects would not be viable without the incentive of a seven year crediting period provided under the existing ERF method.

A project which converts from flaring to electricity generation at any time during its initial seven-year crediting period will not receive a crediting period extension. If a project converts from flaring to electricity generation anytime inside its subsequent crediting period (five-year extension) its crediting period will cease at the end of the financial year when electricity generation is achieved.

Section 13A(3) correctly recognises that new electricity generation activities require a seven year crediting period to be viable; as per ERAC's report. However, the nine-year maximum crediting period places unnecessary restrictions on the flaring activities which occur prior to potential electricity generation.

ALOA proposes that to maintain consistency within the Determination, all flaring activities, new and existing should be given a crediting period of 12 years, with a maximum of seven years for electricity generation activities, if projects achieve this.

Section 11

The proposed requirements do not recognise that the calculations and the regulatory baseline already ensure that upgrade projects are unable to create ACCUs due to a temporary decline in collection efficiency or simply performing business-as-usual (BAU) activities. This is because collection activities resulting from the upgrade project must exceed what was existing prior to the upgrade.

The basis of ERAC's position is unclear - that simply combusting gas within the capacity of existing combustion equipment is a BAU activity and therefore requires additional combustion devices to be installed.

The capacity of the combustion device does not reflect the level of BAU activity at a site. Instead this is represented by the historic gas collection efficiency.

Subsection 29

The changes from assessing previous site collection efficiency from two years to four years and no longer considering the average, but rather the highest 12 months collection efficiency have not been previously advised and the reasons for changes have not been included within the Method Review Report.

These changes will result in the requirement to increase collection above conditions which do not reflect current site operations and conditions.

Conclusion

Thank you again for the opportunity to provide additional comments. We would be delighted to continue to work with the Department to achieve improved environmental outcomes.

For further information on this important matter, please contact ALOA.

Yours Sincerely



Colin Sweet
CEO