

## **BACKGROUND INFORMATION ON THE LANDFILL GAS (GENERATION) METHOD: PROPOSED NEW METHOD**

The *Carbon Credits (Carbon Farming Initiative—Landfill Gas) Methodology Determination 2015* (2015 determination) is the current methodology determination that allows participants to earn carbon credits for emissions reductions achieved from the capture and combustion of landfill gas generated from decomposing waste.

The crediting period extension review for the 2015 determination, conducted under section 255A of the *Carbon Credits (Carbon Farming Initiative) Act 2011*, was completed by the Emissions Reduction Assurance Committee (ERAC) in 2018. The ERAC found at the time of that review there was a likelihood that extending the crediting period for electricity generation projects beyond the original 7 years in that determination would result in the issuance of Australian carbon credit units (ACCUs) for emissions reductions that would occur in the ordinary course of events.

However, further analysis of industry data in 2019 and 2020 and updated forecasts of declining electricity prices and large-scale generation certificate prices in 2021 indicated that landfill gas generation projects would continue to produce abatement that would not ordinarily occur. On the basis of this new evidence, the [ERAC agreed in April 2021](#) that landfill gas generation projects should receive crediting periods up to 12 years.

Under section 114(7A)(b) of the Act, a variation to a methodology determination extending the crediting period for projects covered by that determination cannot be made where the ERAC has previously advised against it. However, a new methodology determination can be made to extend the crediting period for existing landfill gas generation projects.