

Submission

To Department of Industry, Science, Energy and Resources
Safeguard Mechanism Industry Team

From Colin Sweet, CEO
Australian Landfill Owners Association

Date: 4 October 2021

Subject: **Safeguard Crediting Mechanism**

Thank you for the opportunity to provide stakeholder feedback on Safeguard Crediting Mechanism.

The Australian Landfill Owners Association (ALOA) was formed in late 2008 and is the national body representing landfill owners across Australia.

Our primary purpose is work with our members and government to develop and amend legislation that maximises the benefit the community receives in having well located, professionally operated and highly compliant engineered landfills.

ALOA is the only Association which is entirely focussed on the landfill industry; an industry that is an essential service to the Community and our membership spans both private industry and local government.

Comments

Design Principles

In relation to the proposed Safeguard Crediting Mechanism, ALOA supports the four design principles proposed in the discussion paper.

Pilot Phase

ALOA recommends the pilot phase be undertaken over a period of three years, and no shorter, to enable capture systems to be commissioned and established and minimise the cost risk to the proponent if the pilot phase does not lead into a contract period. In order to maintain continuity between the pilot phase and the subsequent arrangements ALOA recommends that a seamless transfer of arrangements be undertaken from one to the other.

When the pilot phase is being evaluated ALOA recommends that both the amount of landfill gas captured and the number of facilities participating in the pilot phase should be measured.

Historical emissions intensity values

In considering historical emissions intensity values, ALOA considers that these can be a guide for assessing an appropriate reference point for crediting emissions reductions without being an absolute measure. ALOA suggests the reference point should be established on a case-by-case basis, with the primary aim to encourage the landfill operator (most likely a Local Government operation, given the likely size of the landfill) to improve and upgrade the landfill gas capture infrastructure. For this purpose, historical emissions should be measured over a period greater than the most recent period to establish the argument on a case-by-case basis.

Circumstances relating to an outage or action regarding a new facility

ALOA has no comment on the circumstances relating to an outage or action regarding a new facility. It is anticipated that the Safeguard Crediting Mechanism will have no impact on new facilities because the NGER predicts the production of no landfill gas in the first 12 months of operation.

Reference Level Adjustments

ALOA agrees that adjustments to reference levels should be made if:

- there is a change to the global warming potential values used by NGER;
- a facility moves to a new NGER method to report its emissions to the Clean Energy Regulator; or
- an NGER method changes in a way that will affect the relevant facility's NGER reported emissions.

Credits

ALOA believes that the crediting period for the Safeguard Crediting Mechanism should be seven years to maintain consistency with other schemes and that credit referencing levels should remain constant throughout to reduce the financial risk of the proponent and encourage participation and therefore increased landfill gas capture rates. Similarly, ALOA discourages the adjustment of baselines for the same reasons.

ALOA supports the concept that Safeguard Mechanism Credits should only be available to facilities that are not going to be the beneficiaries of “double counting”.

ALOA does not support the reduction in the number of Safeguard Mechanism Credits issued for each tonne of calculated emissions reductions on the basis that by doing so, the Department is effectively reducing the effectiveness of the system and not creating enough of an opportunity for the proponent to capture and destroy the landfill gas. Being consistent with this argument, ALOA believes there should not be a minimum level of abatement – any abatement is a favourable environmental outcome.

Transformation Statement

ALOA does not have a particular view on the role of a transformation statement because there are limited options within a landfill operation to reduce emissions, other than capturing landfill gas and flaring. ALOA would be supportive of the Department developing such a transformation statement providing it is generally consistent with the Association’s views.

Time Limits & Principles

For consistency, ALOA believes that the Safeguard Mechanism Credits should have a time limit in line with other schemes provided by the Department. Similarly, the principles for the Regulator when purchasing Safeguard Mechanism Credits should be in line with other schemes provided by the Department.

ACCUs and Voluntary Market

ALOA has no comment on the impact of Safeguard Mechanism Credits on the ACCU market nor on the role of Safeguard Mechanism credits in the voluntary market.

Again, we wish to thank the Department for the opportunity to respond to this proposed scheme and we remain available for further consultation and discussion.

Yours Sincerely



Colin Sweet, CEO