Submission

To	Emissions Reduction Assurance Committee (ERAC)
From	Daniel Fyfe, Chair / Acting CEO Australian Landfill Owners Association
Date:	3 June 2025
Subject:	**ALOA RESPONSE ACCU Scheme Landfill Gas Exposure Draft method**

Thank you for the opportunity to provide feedback on the draft Carbon Credits (Carbon Farming Initiative—Reducing Methane Emissions from Landfill Gas) Methodology Determination 2025 (draft Landfill gas method) released for statutory consultation by the Emission Reduction Assurance Committee. Australian Landfill Owners Association (ALOA) acknowledges the work by the Department of Climate Change, Energy, the Environment and Water (the Department) in delivering the draft method and the contribution of the Technical Working Group to the process.

ALOA was formed in late 2008 and is the national body representing landfill owners across Australia. Our primary purpose is to 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 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.

RESPONSE

Methane is a short-lived climate forcer with a global warming potential 85 times more than carbon dioxide and accelerating reduction efforts will be critical for a safer climate future. Under current policy incentives, Australia is a world leader in capturing and destroying landfill methane emissions with over 8 million tonnes of carbon dioxide equivalent (tCO2-e) stopped from entering our atmosphere in 2022 alone1. Continuing the success being achieved through landfill gas capture needs to be maintain and built on.

ALOA is committed to ensuring the new method continues to deliver methane abatement into the future. We welcome the opportunity to comment on the draft Landfill gas method. As this is ERAC's consultation, our comments focus on the draft Landfill gas method against the Offsets Integrity Standards. These comments are suggested improvement as it is critical the draft Landfill Gas method is made as soon as possible to provide certainty for landfill operators.

Offsets Integrity Standards

Additionality

We need a method that has integrity and effectively supports the investment needed for abatement to occur. The proposed baselines in the draft Landfill gas method are still high and unlikely to increase national capture efficiency. They are likely to reduce the ability to invest to achieve real, measured and verified methane abatement from Australia's landfill gas projects over time. This means methane emissions will increase rather than further decline.

The proposed 0% baseline for smaller, regional flaring only projects is welcomed and hopefully will see more projects come online.

The proposed baselines for new and upgraded electricity generation and flaring projects of 37% and 39% for existing electricity generation and flaring projects are still high and well above the 36% consulted on in the May Options paper.

A baseline of 33% or less is preferred for all electricity generation and flaring projects. A reset baseline starting at 33% for electricity generation projects would still be conservative while resulting in additional abatement. This is because abatement from electricity generation is clearly additional and is otherwise not

[1] https://www.greenhouseaccounts.climatechange.gov.au/

incentivised. A baseline of 33% would address regulatory requirements and unincentivised capture in a conservative manner. Even this baseline would be a difficult adjustment as it is a very significant increase of around a 40% lift from current 24% baselines. It could potentially be accommodated with appropriate certainty in other areas e.g. a multi-decade crediting period.

The proposal to allow baselines to be changed if regulations will provide confidence the draft Landfill gas method is both conservative and only credits additional abatement.

Regulatory baseline calculation

ALOA understands and supports the intent of the regulatory baseline and believes this supports the additionality of the method. However, it is ALOA's understanding that the methane concentration limit set within regulatory guidelines was done for safety reasons and not climate/emission reductions. In other words, there is no state government that regulates landfill gas to reduce greenhouse gas emissions – they regulate for safety and odour only.

If the draft Landfill gas method intends to retain its table in Schedule 1 on 'Determining allowable flux rates from allowable methane concentrations', then we strongly recommend that the conversion rates for permitted methane flux rate be updated to reflect contemporary, peer-reviewed science (refer to Hettiarachchi H, Irandoost E, Hettiaratchi JP, and Pokhrel D (2023)2).

The current outdated, unscientific conversion rates used in this table are incorrect and would significantly increase the baseline for Victorian and ACT landfills, which would have disproportionate detrimental impacts for landfill gas operations at these sites.

Crediting periods

Longer crediting periods (e.g. 25 years) will still result in additional abatement being credited. With landfill gas systems requiring continuous capital and operational investments through into several decades after a landfill stops receiving waste, crediting periods should be multi-decadal (e.g. 25 years) to ensure methane abatement continues at landfill sites. Landfills continue to produce methane for decades once closed and continuous investment is needed to maintain methane abatement. Crediting periods need to reflect this.

Conservative

The draft Landfill gas method is very conservative. These high baselines are likely to result in reduced (or no) future investment in landfill methane abatement leading to more methane emissions – the exact opposite of what is desired through emission reduction policy. The conservativeness is due to multiple settings, which will result in less additional abatement not being credited. This also means the incentives for projects will decline over time as investment costs increase risking the perverse outcome of methane emissions increasing.

The upwards sloping baseline of 0.5% is an improvement on the proposed baseline of 1.9% suggested in the May Options paper. The 0.5% increase is conservative noting actual Australian performance and the impacts observed overseas with declining incentives.

Measurable and verifiable

Measuring the methane proportion of landfill gas will increase confidence in the integrity of landfill gas ACCUs however it will likely increase project costs.

Adverse impacts

The consultation is seeking feedback on potential adverse environmental, economic and social impacts that might result from the draft Landfill gas method.

Great care needs to be taken to avoid adverse results such as those observed in the UK, where capture efficiencies are in decline from 2017 as incentives have reduced.

[2] Hettiarachchi H, Irandoost E, Hettiaratchi JP, and Pokhrel D (2023) "A Field-Verified Model to Estimate Landfill Methane Flux Using Surface Methane Concentration Measurements under Calm Wind Conditions", *Journal of Hazardous, Toxic, and Radioactive Waste*, Volume 27(4)

The proposed settings in the draft Landfill Gas method still run the risk that many discretionary activities incentivised under the ACCU Scheme would not be able to continue due to waste management cost pressures. This would result in increased emissions and not incentivise the ongoing investment that is required for high gas capture rates as costs of gas capture are increasing.

ALOA notes the consultation is also seeking feedback on potential adverse impacts the new method might result in. We would like to highlight that landfill gas abatement projects result in many positive outcomes including odour management, which helps landfill operators maintain a social licence to operate. Landfill gas abatement projects also provide jobs and economic benefits for communities, particularly in regional areas.

Without landfill gas abatement projects, or where landfill gas abatement declines over time because of the draft method's overly conservative settings, these benefits will decline and make the operating environment more difficult.

Conclusion

ALOA recognises the work the department has made to reflect industry's feedback to the May Options Paper. We think there are still improvements that could be made specifically on the starting baseline for electricity generation projects and the conversion rates for the permitted methane flux rate.

Thank you for the opportunity to comment.

Sincerely

Yours Sincerely

Daniel Fyfe
Chair / Acting CEO