

Guidance for ACCU Scheme participants impacted by the expiry (or sunsetting) of an ACCU Scheme method

Background

Methodology determinations (methods) set out the rules and eligible activities for running an Australian Carbon Credit Unit (ACCU) Scheme project. As all methods are legislative instruments, they automatically sunset approximately 10 years after registration.¹ In general, ACCU Scheme methods expire the day before they sunset.

Existing project proponents who have registered their project and started their crediting period on or before the expiry date may continue their projects under an expired method for the remainder of their crediting period. This means you can continue to claim ACCUs for these projects after the expiry date.

For projects registered within 18 months of the expiry date, it is important that project proponents do not vary their crediting period start date to after the expiry date. You will not be able to claim ACCUs for your projects when the method expires if your crediting period start date is after the expiry date.

No new projects may be registered under methods that have expired. Projects that have already been registered under a different method cannot transfer to a method that has expired.

Purpose

This guidance outlines how ACCU Scheme projects may be impacted by the expiry of a method and clarifies administrative processes and options for these projects. The expiry of a method may impact participants who are considering or in the process of registering a new project or are undertaking a project that has already been registered.

This guidance provides general advice for participants under the ACCU Scheme. For specific advice pertaining to the impacts on your individual project, please contact the relevant ACCU Scheme assessment team.

¹ Sunsetting is the automatic repeal of legislative instruments after a defined period of time (on the first 1 April or 1 October on or after the 10th registration anniversary). It provides an opportunity for agencies to review and streamline legislative instruments.





Registering a new project

If you are considering registering a project under a method that is due to expire, consider:

- the timing of your application and the likelihood of the project being registered by the expiry date
- whether you intend to add new areas to the project after registration
- the intended project crediting period start date² and whether it will occur after the method has expired
- whether you intend to eventually transfer to a new method.

If you intend to apply to register a project under an expiring method, you should apply as soon as possible. As the time required to assess an application is highly variable depending on the characteristics of the project and the circumstances of the application, we can't guarantee all applications will be assessed before the expiry date.

Submit your application to register under an expiring method by 2 July 2025

In the '**Expiring methods**' section of this guidance, we list methods due to expire on 30 September 2025. If you wish to apply for these methods, we recommend you apply by **2 July 2025** to minimise the risk your application will not be assessed in time.

Under s27(14) of the <u>Carbon Credits (Carbon Farming Initiative) Act 2011</u> (the CFI Act),³ the Clean Energy Regulator must take all reasonable steps to ensure that a decision is made on a project registration application within 90 days after the application was made or after the provision of further information requested by the Clean Energy Regulator.

We will prioritise assessment of project registration applications in the order they are **completed**. Completion is when we have received all information required by the applicable legislation – this includes any information we have sought in a Request for Further Information (RFI).

It is important to respond to an RFI and provide the required information by the due date, or we may refuse to consider or take further action for the application.

While we will endeavour to make a decision on as many project registration applications as possible before the method expires, there is a risk we will not make a decision about your application by the expiry date.

By law, the Clean Energy Regulator cannot register projects under a method after its expiry date.

Projects registered under these methods can continue to generate ACCUs under the relevant version of the expiring method for the remainder of their crediting period if they have started their crediting period on or before the expiry date. No projects can be registered under these methods after the expiry date.

² The crediting period commences on the date a project is declared, unless you specifically request a later date when registering or apply to defer the crediting period start date. Most projects commence their crediting period at registration and can continue to claim ACCUs for their project beyond the method's expiry date. ³ https://www.logiclation.gov.au/C2011A00101

³ https://www.legislation.gov.au/C2011A00101



Impact of expiry and management steps

The expiry of a method will have varied impacts on project registrations depending on what stage the project is up to in the registration process. The below table provides more information on these stages, the impacts the expiry will have and the steps you can take to manage these impacts.

Stage of registration	Impact of the expiry of a method	Management steps
Registration application has not been completed	The project registration application will be voided, and the project cannot be declared.	For projects under an expiring method, you may:
		 apply to register your project before the method expiry date with sufficient time for the assessment team to process the application by the expiry of the method⁴
		 re-apply to register your project under a new method. This option applies if a new method replaces the expiring method, and the project remains eligible under the new method (noting that eligibility rules are likely to change for new methods). We would look for opportunities to use information previously provided in registration forms for expired methods to pre-populate application forms under the new method.
Registration application has been submitted and is under assessment	Projects are unable to be registered (known as 'declared') under a method after the expiry date. Any projects that are still under assessment after the method expires will not be registered.	 If a new method replaces the expired method and the project remains eligible under the new method (noting that eligibility rules are likely to change for new methods), you may: re-apply to register a project under a new method
		 request the CER assess the existing application under a new method. The assessment team may need to request any outstanding information required under the new method.

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⁴ As per s27(14) of the CFI Act, the Clean Energy Regulator must take all reasonable steps to make sure a decision is made on a registration application within 90 days of receiving a response to a Request for Information or of the date of the application.



Undertaking a project registered under the expiring method

The impacts of the expiry of a method will depend on whether the crediting period has started or will start for your project on or before the expiry date. The below table provides more information on these stages, the impacts the expiry will have, and the steps you can take to manage these impacts.

Stage of project	Impact of the expiry of a method	Management steps	
Crediting period has commenced on or before the expiry date	The method will continue to	You may either:	
	apply for the project for the remainder of the crediting period. ⁵	 continue your project under the expired method but be unable to add land to the project, or 	
	If you are undertaking an area- based project, you may not vary your project to add areas after the method has expired. ⁶	• apply to transition your project to a new method. ⁷ We will assess the eligibility of the project under the new method. Eligibility will be method-specific, depending on both the original and new methods. The new method must be active at the time of the decision.	
		If you change the start date of your project's crediting period to after the method expiry date, you will not be able to claim ACCUs for your project and your project will be revoked.	
Crediting period has not yet commenced on or before the expiry date	Your project will no longer be able to claim ACCUs. You will also be unable to request to transition your project to a new method, as these requests must be made during a reporting period for the project. ⁸ The project will be revoked.	You should not nominate to commence the start date of your crediting period after the expiry date. If you have not already done so, you can vary the start date of your crediting period to a date before the method expires. You can only vary your crediting period start date once.	

https://www.legislation.gov.au/F2015L00156

⁵ Under s125 of the CFI Act

⁶ See s23(1)(f) of the <u>Carbon Credits (Carbon Farming Initiative) Rule 2015</u> (the CFI Rule)

⁷ Under s128 of the CFI Act

⁸ Under s128 of the CFI Act



Conditionally registered projects

Projects that are conditionally registered will remain covered by the expiring methods if they have started their crediting period on or before the expiry date.

A project is conditionally registered if the project proponent has not obtained the necessary regulatory approvals and/or consents from eligible interest-holders prior to declaration. For the condition to be removed, consent from all eligible interest-holders and applicable regulatory approvals must be provided before the end of the first reporting period.

Project registration or declaration means a project proponent can participate in the scheme. It doesn't give permissions to conduct activities. You still need to comply with other Commonwealth, state, territory and local requirements or laws applying to the project. This includes obtaining any regulatory approvals related to land use, the environment or water, such as permits and licenses. You must do this before commencing project activity.

Eligible interest-holders include any person or organisation holding a legal interest in the land a project will run on. These may be landholders, banks or mortgagees, and registered native title bodies corporate.

We cannot issue ACCUs until all eligible interest-holder consents and/or evidence of applicable regulatory approvals are provided.

The Independent Review of ACCUs 2022⁹ recommended removing the ability to conditionally register projects on native title land without native title eligible interest-holder consent to ensure the ACCU Scheme aligns with the principles of free, prior and informed consent (FPIC). This recommendation recognises the importance of early engagement with First Nations people before projects are established. The Australian Government recently completed a public consultation process, including consultation with First Nations people, on implementing this recommendation and how the government can best support Native Title eligible interest holders to participate in consent processes.

You must adhere to the <u>Native title, legal right and eligible interest holder consent guidance¹⁰</u> and should follow the best practice principle of FPIC when planning to run a project on land subject to Native Title. You need to provide additional information showing how you applied best practice of engaging with eligible interest holders before submitting project applications and how you have considered the principle of FPIC. Wanting to register a project before a method expires is not a valid reason for failing to adhere to the guidance.

⁹ https://www.dcceew.gov.au/climate-change/emissions-reduction/independent-review-accus

¹⁰ https://cer.gov.au/document_page/native-title-legal-right-and-eligible-interest-holder-consent-guidance



Expiring methods

The methods listed in the tables below will expire on **30 September 2025**.

Emissions avoidance methods

Suspension of processing of registration applications under beef cattle herd management method

The Emissions Reduction Assurance Committee (ERAC) made an order suspending the Clean Energy Regulator's processing of applications for registration of projects under the <u>Carbon</u> <u>Credits (Carbon Farming Initiative—Beef Cattle Herd Management) Methodology</u> <u>Determination 2015¹¹ (beef cattle herd management method)</u>. The suspension applies to registration applications received by the CER on or after 17 December 2024 until the method expires on 30 September 2025. The CER will not process or decide those applications. If you have an existing project under the 2015 method that started its crediting period before the suspension, these projects won't be affected and will continue for the duration of their crediting period.

See the Department of Climate Change, Energy, the Environment and Water's website for <u>more</u> <u>information on this suspension</u>¹².

Facilities method

Participants considering the <u>Carbon Credits (Carbon Farming Initiative—Facilities) Methodology</u> <u>Determination 2015¹³</u> (facilities method) may be eligible to register a project under the <u>Carbon</u> <u>Credits (Carbon Farming Initiative—Industrial and Commercial Emissions Reduction)</u> <u>Methodology Determination 2021¹⁴</u> (ICER method) instead.

Make sure you understand the eligibility requirements for your chosen method. You can find more information on the <u>ICER method</u>¹⁵ on our website.

¹¹ https://www.legislation.gov.au/F2015L01434/latest/text

¹² https://www.dcceew.gov.au/climate-change/emissions-reduction/accu-scheme/methods/beef-cattle-herd-management

¹³ https://www.legislation.gov.au/F2015L01346/latest/text

¹⁴ https://www.legislation.gov.au/F2021L01789/latest/text

¹⁵ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/industrial-and-commercial-emissions-reduction-method



Table 1: Emissions avoidance methods expiring on 30 September 2025.

Method	Туре	Resources
Beef cattle herd management	Agriculture	 <u>Carbon Credits (Carbon Farming Initiative—Beef Cattle</u> <u>Herd Management) Methodology Determination 2015</u>¹⁶ <u>Beef cattle herd management method</u>¹⁷
Fertiliser in irrigated cotton	Agriculture	 <u>Carbon Credits (Carbon Farming Initiative – Reducing Greenhouse Gas Emissions from Fertiliser in Irrigated Cotton) Methodology Determination 2015</u>¹⁸ <u>Fertiliser in irrigated cotton method</u>¹⁹
Facilities	Energy efficiency	 <u>Carbon Credits (Carbon Farming Initiative—Facilities)</u> <u>Methodology Determination 2015</u>²⁰ <u>Facilities method²¹</u>
Oil and gas fugitives	Mining, oil and gas	 <u>Carbon Credits (Carbon Farming Initiative—Oil and Gas</u> <u>Fugitives) Methodology Determination 2015</u>²² <u>Oil and gas fugitives method</u>²³

¹⁶ https://www.legislation.gov.au/F2015L01434/latest/text

 $^{^{17}\,}https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/beef-cattle-herd-management-method$

¹⁸ https://www.legislation.gov.au/Latest/F2015L00584

¹⁹ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/reducing-greenhouse-gasemissions-fertiliser-irrigated-cotton-method

²⁰ https://www.legislation.gov.au/F2015L01346/latest/text

²¹ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/facilities-method

²² https://www.legislation.gov.au/F2015L01230/latest/text

²³ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/oil-and-gas-fugitivesmethod



Sequestration methods

Estimating sequestration of carbon in soil using default values method

Participants considering the <u>Carbon Credits (Carbon Farming Initiative—Estimating</u> <u>Sequestration of Carbon in Soil Using Default Values) Methodology Determination 2015</u>²⁴ (model-based soil carbon method) may be eligible for the <u>Carbon Credits (Carbon Farming</u> <u>Initiative—Estimation of Soil Organic Carbon Sequestration Using Measurement and Models</u>) <u>Methodology Determination 2021</u>²⁵ (2021 soil carbon method) instead.

Make sure you understand the eligibility requirements for your chosen method. You can find more information on the <u>2021 soil carbon method</u>²⁶ on our website.

Reforestation and afforestation 2.0 method

Participants who are considering the <u>Carbon Credits (Carbon Farming Initiative—Reforestation</u> and Afforestation 2.0) Methodology Determination 2015²⁷ (reforestation and afforestation 2.0 method) may be eligible to register a project under the <u>Carbon Credits (Carbon Farming</u> <u>Initiative) (Reforestation by Environmental or Mallee Plantings—FullCAM) Methodology</u> <u>Determination 2024²⁸ (environmental plantings method) instead. Eligible low-risk</u> environmental plantings projects qualify for zero scheduled audits rather than 3 scheduled audits under alternative assurance arrangements.

Make sure you understand the eligibility requirements for your chosen method. You can find more information on the <u>environmental plantings method</u>²⁹ and alternative assurance arrangements on our website.

The Minister for Climate Change and Energy may decide that the reforestation and afforestation 2.0 method will be remade. The Emissions Reduction Assurance Committee will consider further analysis of the method before providing advice to the Minister.

²⁴ https://www.legislation.gov.au/Details/F2018C00126

²⁵ https://www.legislation.gov.au/F2021L01696/latest/text

²⁶ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/estimating-soil-organic-

carbon-sequestration-using-measurement-and-models-method

²⁷ https://www.legislation.gov.au/F2015L00682/latest/text

²⁸ https://www.legislation.gov.au/F2024L01473/asmade/text

²⁹ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/reforestationenvironmental-or-mallee-plantings-fullcam-method-2024



Table 2: Sequestration methods expiring on 30 September 2025.

Method	Туре	Resources
Estimating sequestration of carbon in soil using default values (model- based soil carbon)	Agriculture	 <u>Carbon Credits (Carbon Farming Initiative — Estimating Sequestration of Carbon in Soil Using Default Values)</u> <u>Methodology Determination 2015</u>³⁰ <u>Estimating sequestration of carbon in soil using default values (model-based soil carbon) method³¹</u>
Reforestation and afforestation 2.0	Vegetation	 <u>Carbon Credits (Carbon Farming Initiative—Reforestation</u> and Afforestation 2.0) Methodology Determination 2015³² <u>Reforestation and afforestation method</u>³³

³⁰ https://www.legislation.gov.au/F2015L01163/latest/text

³¹ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/estimating-sequestration-carbon-soil-using-default-values-method-model-based-soil-carbon

³² https://www.legislation.gov.au/F2015L00682/latest/text

³³ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/reforestation-and-afforestation-method