



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. In general, ACCU Scheme methods expire the day before they sunset.

If your registered project started its crediting period on or before the method's expiry date, it can continue under that method for the remainder of the project's crediting period. You can continue to claim ACCUs for this project after the method's 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 explains how ACCU Scheme projects may be impacted by a method's expiry and outlines administrative processes and options available 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 a project under an expiring method by 15 December 2025

In the <u>Expiring methods</u> section of this guidance, we list methods due to expire on 31 March 2026. If you wish to register a project under these methods, we recommend you apply by 15 December 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>³ (the CFI Act), 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 that you 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 aim to make a decision on as many project registration applications as possible before the method expires, there is a risk we will not decide 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.legislation.gov.au/C2011A00101

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Impact of expiry and management steps

The expiry of a method affects project registrations differently depending on their stage in the registration process. The table below outlines each stage, the impacts of the method expiry and the steps you can take to manage them.

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, provided it replaces the expiring method, and your project remains eligible under the new method (noting that eligibility rules may change for new methods). Where possible, we will use information you previously provided in your application to help pre-fill the new form.
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 request any outstanding information required under the new method.

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 impact of a method expiry depends on whether your project's crediting period starts on or before the expiry date. The table below outlines each stage of the registration process, the potential impacts and steps you can take to manage them.

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 apply for the project for the remainder of the crediting period. ⁵ If you are undertaking an areabased project, you may not vary your project to add areas after the method has expired. ⁶	 You may either: continue your project under the expired method but be unable to add land to the project 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 a crediting period start date that falls after the method expiry date. If you haven't already, you must vary the start date of your crediting period to a date before the method expires. This change can only be made once.

⁵ Under s125 of the CFI Act

⁶ See s23(1)(f) of the Carbon Credits (Carbon Farming Initiative) Rule 2015 (the CFI Rule), https://www.legislation.gov.au/F2015L00156

⁷ Under s128 of the CFI Act

⁸ Under s128 of the CFI Act

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Conditionally registered projects

Conditionally registered projects will remain covered under the expiring method if their crediting period starts 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 <u>Independent Review of ACCUs</u>⁹ 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 Native title, legal right and eligible interest holder consent guidance 10 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/accu-scheme/reviews-and-reforms/independent-review-accus

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



Expiring methods

The methods listed in the table below will expire on 31 March 2026.

Source separated organic waste method review

The Emissions Reduction Assurance Committee (ERAC) is reviewing the merits of remaking the Carbon Credits (Carbon Farming Initiative—Source Separated Organic Waste) Methodology Determination 2016¹¹ (source separated organic waste method).

The ERAC's advice will inform a decision by the Assistant Minister for Climate Change and Energy on whether the method will be remade.

Refer to the Department of Climate Change, Energy, the Environment and Water's website for more information on the <u>source separated organic waste method</u>¹².

Table 1: Emissions avoidance methods expiring on 31 March 2026

Method	Туре	Resources
High efficiency commercial appliances	Energy efficiency	 Carbon Credits (Carbon Farming Initiative—High Efficiency Commercial Appliances) Methodology Determination 2015¹³ High efficiency commercial appliances method¹⁴
Refrigeration and ventilation fans	Energy efficiency	 Carbon Credits (Carbon Farming Initiative—Refrigeration and Ventilation Fans) Methodology Determination 2015 Refrigeration and ventilation fans method 16
Source separated organic waste	Landfill and waste	 Carbon Credits (Carbon Farming Initiative—Source Separated Organic Waste) Methodology Determination 2016¹⁷ Source separated organic waste method¹⁸

¹¹ https://www.legislation.gov.au/F2016L00098

¹² https://www.dcceew.gov.au/climate-change/emissions-reduction/accu-scheme/methods/source-separated-organic-waste

¹³ https://www.legislation.gov.au/F2015L01839/latest/text

¹⁴ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/high-efficiency-commercial-appliances-method

¹⁵ https://www.legislation.gov.au/F2015L01712/latest/text

 $^{^{16}\} https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/refrigeration-and-ventilation-fans-method$

¹⁷ https://www.legislation.gov.au/F2016L00098/latest/text

¹⁸ https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/source-separated-organic-waste-method