



Guidance for ERF participants impacted of the 2017 plantation forestry method

Background

Some Emissions Reduction Fund (ERF) method determinations (methods) have been or will be revoked. Project proponents who have registered under these methods may continue their projects, but no new projects may be registered under revoked methods.

A method is often revoked due to the publication of a new or updated version of a similar method. For example, the revocation of the 2017 plantation forestry method¹ will occur one month after the publication of the 2022 plantation forestry method², and participants registered under the 2017 method are encouraged to move to the 2022 method. This guidance document often refers to a 'new method' (for example when suggesting participants re-submit registration applications under the new method) – this refers to the most recent method in a series.

Purpose

This guidance outlines how ERF projects may be impacted by the revocation of an ERF method, and clarifies administrative processes and options for these projects. The revocation of an ERF method may impact participants who:

- are considering registering a new project,
- are in the process of registering a new project, or
- are undertaking a project that has already been registered.

This guidance provides generalised advice for participants under the ERF. The guidance is structured based on what stage of your project you are in. For more specific advice pertaining to the revocation of a specific method or the impacts on your individual project, please contact the relevant ERF assessment team to discuss your circumstances. High level guidance on method specific administrative considerations for plantation forestry projects has been included at the end of this document.

¹ Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017

² Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2022

1. Considering registering a new project

In general, the former method will be revoked at the same time that the new method is made although this may vary by method.

Participants considering registering a project under a method that is likely to be revoked due to the publication of a new method should consider:

- the timing of their application and the likelihood of the project being registered prior to the revocation (see section 2),
- whether they intend to add new areas to the project after registration (see section 3),
- the intended project start date and crediting period start date, and whether these will occur after the former method has been revoked (see section 3), and
- whether they intend to eventually transfer to the new method.

Participants are generally advised to register under the new method where possible, as being registered under a method that has not been revoked will generally provide more flexibility. Newer methods also often contain improvements on former methods.

2. In the process of registering a project

The revocation of an ERF method will have varied impacts on project registrations, depending on what stage of registering a project the participant is in. The below table provides more information on these stages, the impact the revocation will have, and steps participants can take to manage these.

Stage of registration	Impact of method revocation	Management steps
Registration application has not yet been completed and submitted in the Clean Energy Regulator Client Portal ³ .	The revocation of the method will result in the application being removed from the Clean Energy Regulator Client Portal .	Participants may: <ol style="list-style-type: none"> 1. Ensure their registration application is submitted prior to the revocation of the method, with sufficient time for the assessment team to process the application prior to the method's revocation⁴ (see next row); or 2. Re-submit their registration application for assessment under the new method (if applicable).

³ <https://portal.cleanenergyregulator.gov.au/>

⁴ As per s27(14) of the *Carbon Credits (Carbon Farming Initiative) Act 2011*, the Regulator must take all reasonable steps to ensure a decision is made on a registration application within 90 days of the provision of further information requested by the Regulator or of the date of the application.

<p>Registration application has been submitted in the Clean Energy Regulator Client Portal and is under assessment.</p>	<p>Projects are unable to be declared under a method that has been revoked. Any projects that are still under assessment when the method is revoked will not be declared.</p>	<p>Participants may:</p> <ol style="list-style-type: none"> 1. Re-submit their registration application for assessment under the new method (if applicable); or 2. Request the assessment team to assess their registration application under the new method (if applicable). The assessment team may need to request any outstanding information under the new method to process the application.
--	---	--

3. Undertaking a project that has already been registered under the former method

The impacts of the revocation of an ERF method will depend on whether your crediting period has started or not. The below table provides more information on these stages, the impacts the revocation will have, and steps you can take to manage these:

Stage of Project	Impact of method revocation	Management steps
<p>Crediting period has commenced</p>	<p>Under s123 of the Carbon Credits (Carbon Farming Initiative) Act 2011 (the CFI Act), if a method that covers a project is revoked, that method will continue to apply to the project for the remainder of the crediting period of that project, provided the crediting period has commenced.</p> <p>However, there are restrictions as to what actions a participant can take in their project once the revocation has occurred. Notably, participants undertaking an area-based project may not vary their project to add areas once the method they have been registered under is revoked.⁵</p>	<p>Participants may:</p> <ol style="list-style-type: none"> 1. Continue their project under the old method (and be unable to make certain variations); or 2. Submit an application under S128 of the CFI Act to have a new method apply to their project.
<p>Crediting period has not yet commenced</p>	<p>For projects that have been registered but have not yet commenced their crediting period, the revoked method will not continue to apply to the project.</p> <p>Additionally, these projects will be unable to request to transition to a new method.⁶</p> <p>As such, the revocation of the method will result in the project being exited from the scheme.</p>	<p>Participants may consider nominating to bring the start date of their crediting period forward to ensure that their crediting period has commenced prior to the method's revocation.</p> <p>In some circumstances, in-lieu of newness provisions have been included in new methods, to allow for projects that were registered under a previous version to register under the new method, even where their crediting period has not commenced. Contact the relevant ERF assessment team to discuss if this option exists for a particular method.</p>

⁵ See s23(1)(f) of the *Carbon Credits (Carbon Farming Initiative) Rule 2015*.

⁶ See s128 of the CFI Act.

Projects that wish to transition to a new or updated method

Projects that are registered under a method and wish to transition to a new method (whether or not the method they are registered under has been revoked) will need to submit an application under s128 of the CFI Act. This application must consider the eligibility of the project under the new method, and the transferability of any net abatement calculations undertaken. These details will be method-specific, depending on both the old and new methods.

Method specific considerations

Plantation forestry projects:

The revocation of the 2017 plantation forestry method⁷ ('the 2017 method') will occur on 28 February 2022, one month after the publication of the 2022 plantation forestry method⁸ ('the 2022 method'). In addition to the generalised advice outlined above, projects registered under the 2017 method should consider the following when thinking about area variations or transferring to the 2022 method:

- Applications to add area to a project under the 2017 method must be submitted before 28 February 2022:
 - » The CFI Rule has recently been amended⁹ to ensure that all applications to add area to a project under the 2017 method that are submitted prior to 28 February 2022 will be able to be processed, even if the date of processing falls after the revocation of the 2017 method. In practice, this means that any applications to add area to a project under the 2017 method submitted on or after 28 February 2022 will need to also include an application to vary the project to the 2022 method.
- The species requirements for the conversion project activity have changed:
 - » Generally, these changes provide more flexibility. Conversion projects that are currently registered under the 2017 method and choose to transition to the 2022 method may choose to comply with either the species requirements under the 2017 method or the 2022 method.
- Upon transferring to the 2022 method, project proponents may need to provide a new or revised forest management plan (FMP)¹⁰:
 - » The requirement for the FMP supersedes the requirement for a management schedule in the 2017 method, and in most cases the information required for the FMP will be the same as that required for the management schedule. Participants using the conversion project activity may be required to provide some additional information upon transferring to the 2022 method.
- The maintenance project activity has been removed:

⁷ *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017*

⁸ *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2022*

⁹ *Carbon Credits (Carbon Farming Initiative) Amendment (Plantation Forestry) Rule 2022*

¹⁰ For further information about forest management plans, see the Clean Energy Regulator's *Forest management plan guidance* at <http://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Forest-management-plan-guidance.aspx>

- » The 2017 method contained a project activity to allow projects registered under the new farm forestry method¹¹ to easily transition their projects to the 2017 method. Due to limited uptake of this project activity, it has been removed in the new method. Projects registered under the new farm forestry method may still be eligible to transition to the new method, however they will need to meet the eligibility requirements of the new plantation forestry method.
- The 2016 FullCAM option must continue to be used until otherwise advised:
 - » The 2022 method has its own FullCAM guidelines¹², which provide instructions on the use of FullCAM for projects registered under the new method. These guidelines provide that projects must continue to use the 2016 FullCAM option until otherwise instructed. Projects choosing to transition to or register under the 2022 method will be required to follow these guidelines.
 - » An update of FullCAM for plantation forestry projects is expected to be released during 2022. This new version will be accompanied by updated FullCAM guidelines for the 2017 and 2022 methods, which will provide instructions for modelling abatement in the new version.

¹¹ *Carbon Credits (Carbon Farming Initiative) (Measurement Based Methods for New Farm Forestry Plantations) Methodology Determination 2014*

¹² The FullCAM Guidelines for the 2022 Plantation Forestry method are available at <http://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/FullCAM-Guidelines-for-the-2022-plantation-forestry-method.aspx>