

Project Application Form Guidance – Oil and Gas Fugitives

Purpose of this Guidance

This guidance details how to fill out the “ERF Project Application” in the [client portal](#) to submit an Emissions Reduction Fund (ERF) application for a project under the Carbon Credits (Carbon Farming Initiative- Oil and Gas Fugitives) Methodology Determination 2015 (the Method). The structure and headings in this document mirror those in the “Project details” and “Eligibility details” sections of the client portal and this should assist you in completing these sections of the application.

The Clean Energy Regulator assesses your project to ensure that it is an eligible offsets project under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (the Act), the Carbon Credits (Carbon Farming Initiative) Rule 2015 (the Rule) and the Method. The Act, the Rule and the Method set out requirements for the information that must be included in an application for declaration of an eligible offsets project.

Providing detailed information about your project will assist in assessing your application and if you want to provide additional information you can upload documents in the client portal. If you do not provide enough information, we may need to request further information or declare the project unable to be assessed.

Project Details

Is the project proposed to be carried out, or being carried out, entirely within Australia?

Under the requirements of the Act, all projects must be carried out in Australia including its external territories.

Method category

To apply under the Oil and Gas Fugitives method, you should select the ‘Industry’ option in the drop-down menu.

Method

Select ‘Oil and Gas Fugitives’.

Does the project meet the newness requirement?

For a project to be declared an eligible offsets project, the project must meet the *newness requirement*.

You should ensure you have reviewed the newness requirements of section 27 (4A) to (4E) of the Act prior to selecting the appropriate response. For further guidance on the newness requirement please review on the [Eligibility, additionality and newness](#)¹ page on the Clean Energy Regulator’s website.

Section 11 of the Method provides alternative newness requirements for projects where a Notice of Intent (NOI) has been submitted. Projects only meet this requirement where both a valid NOI was submitted prior to 13 December 2014 and the application is submitted prior to 1 July 2016.

¹ <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/Eligibility-additionality-and-newness>

Are the project activities funded under any of the government programs, or do they include any activities listed in section 21 of the Carbon Credits (Carbon Farming Initiative) Rule 2015 (rule)?

The Rule excludes certain activities funded by other government programs from being the subject of an eligible offsets project. The list of other government programs in section 21 of the Rule includes the Renewable Energy Target, the NSW Energy Savings Scheme, the Victorian Energy Efficiency Target and several other state based energy efficiency schemes. Please ensure you review the requirements prior to selecting the appropriate response.

Is the project, or any part of it, required to be carried out by or under a law of the Commonwealth, a State or a Territory (regulatory additionality requirement)?

For a project to be declared an eligible offsets project, the project activities must not be required by law. This includes requirements of local development approvals and planning regulations, which are a requirement of state and territory law.

What start date do you wish to nominate for your project?

The start date of a project refers to the date that the project crediting period will begin. It does not refer to the date that the activities take place. For some projects, you may choose a date a few months after the activities have taken place when the project is fully operational and is generating abatement.

The start date for an Oil and Gas Fugitives project may be on or up to 18 months after the date the project is declared an eligible offsets project by the Clean Energy Regulator. When selecting this date be aware that legislatively the Clean Energy Regulator has 90 days to assess projects. You cannot select a start date earlier than the date the project is declared. You can nominate the start date as 18 months after the project declaration date.

If you do not nominate a start date, the start date for your crediting period will be the day the project is declared an eligible offsets project by the Clean Energy Regulator.

What is the forward abatement estimate for the project?

The forward abatement estimate (FAE) is an estimate of the amount of carbon abatement, in tonnes of carbon dioxide equivalent (t CO₂-e), which corresponds to the number of Australian Carbon Credit Units (ACCUs) likely to be issued in relation to the project. One t CO₂-e is equivalent to one ACCU.

The purpose of the FAE is to allow the Clean Energy Regulator to assign an audit schedule for your project. It is an estimate only and can be rounded to the nearest 50,000 t CO₂-e over the crediting period for your project. More information can be found on the [FAE²](#) section of the Clean Energy Regulator's website.

Total Crediting Period (years) of the project?

The crediting period for this method is 7 years. This field will be pre-populated and fixed.

² <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Step-1-Apply/Forward-abatement-estimates>

Average Annual FAE (forward abatement estimate)?

The average annual FAE is the FAE / 7 (the crediting period). This field will be pre-populated based on the forward abatement estimate provided.

What is the estimate of the peak period of the project or abatement

This information will be considered when determining the timing of the project's scheduled audits.

Does the project require any regulatory approvals?

You must declare any regulatory approvals that will be (or were) required to undertake the project activities. For example, a refinery upgrade may require development approval from several different levels of government.

Have all relevant regulatory approvals been obtained for the project? (Appears only if you have responded yes to the previous question)

You do not need to have obtained all regulatory approvals when you apply, however, to be eligible for ACCUs your project must have received all the required regulatory approvals by the end of the first reporting period.

If you have received regulatory approvals for the project, you should include them in your application. If regulatory approvals have been received and a copy has not been provided to the Clean Energy Regulator, this may result in a delay in declaring the project an eligible offsets project.

Eligibility details

Where is the physical location of the project or how will the project boundary be defined?

The Rule requires that information identifying the location of the ERF project must be provided. This could be a street address or a latitude and longitude of the location. If the boundary of the project cannot be identified by the location, details of how the boundary of the project will be defined and a description of that boundary must be provided.

Minimum of one identified site requirement

To meet the requirements of the assessment process you will be required to demonstrate that you have the right to undertake the project activities at (at least) one building or site. Therefore you must provide at least one address in your response to this question.

If you are aware that there may be more ERF projects that are taking place at that site, or activities supported by other government programs, you should either specify the exact location of your project, or alert the Clean Energy Regulator of these activities so that they can be separated from the project (see section 15A of the Act – No double counting test).

If there are multiple locations involved in the project, provide the addresses in a structured format, either in the [address reporting template](#)³ provided on the [Clean Energy Regulator website](#)⁴ or consistent with AS4590 or the [Australia Post address presentation standards](#)⁵, available at [Australia Post website](#)⁶.

Describe the project and activities

You must describe the offsets project including details of how the Method will be applied to the project. In your response you should provide a detailed description of the project including how it meets the eligibility requirements of Parts 2 and 3 of the Method.

You must also provide a description of how the project, if implemented in accordance with the Act and the Method, could reasonably be expected to result in carbon abatement. If you have conducted a feasibility study, commissioned a third party report or have supporting calculations of the carbon abatement potential of the project, it may be beneficial to include this information as part of your project application.

Describe the skills and expertise of any person intended to be used in carrying out the project consistently with the relevant method.

Having people involved in your project who can comply with the rules and requirements of the method for calculations, monitoring, record keeping and reporting is critical to the success of your project. In your response to this question the Clean Energy Regulator is looking for evidence that you have considered these requirements of the method and why the party undertaking these activities is qualified to do so.

³ <http://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Address-reporting-template.aspx>

⁴ <http://www.cleanenergyregulator.gov.au/>

⁵ <http://auspost.com.au/media/documents/australia-post-addressing-standards-1999.pdf>

⁶ <http://auspost.com.au/>

Do you have the legal right to carry out the project?

You should read the information on legal right available on the Legal right on the Clean Energy Regulator website and consider seeking professional legal advice before signing this form to ensure you have the legal right to carry out the project as required by the Act. Your response to this question should demonstrate that you have read and considered the issues identified in this advice.

You must provide evidence of your legal right to carry out the project at all sites listed on your application at the time of applying for registration. It is important to note that approval of the project by the Clean Energy Regulator does not establish legal right. You are required to keep records of any agreements with stakeholders. Legal right for all sites, activities and equipment in the project, including those added after registration, will be checked during audits.

Facilities covered by the *National Greenhouse and Energy Reporting (NGER) Act 2007*

There are additional consent requirements for projects carried out at an NGER facility where the amount of reported scope 1 emissions, of one or more greenhouse gases from the operation of the facility is likely to be more than 100,000 tonnes of carbon dioxide equivalent for one or more years in the crediting period for the project. In these cases, section 20 of the Rule requires that you must demonstrate that you have operational control of the facility or the consent to carry out the project from the person who has. If there is more than one participant then the requirement applies to all participants. Note that the person who has operational control of the facility may not necessarily be the one who can grant the legal right to carry out the project. Please also provide the location of the related NGER facility.

To assist the assessment of your application you must indicate whether your site is a relevant NGER facility, and provide supporting documentation to show that the person who has operational control of the facility has provided consent for the project to take place.