



Australian Government

Department of Climate Change, Energy,  
the Environment and Water

EMISSIONS  
REDUCTION  
ASSURANCE  
COMMITTEE

# Guide for submitting an ACCU method expression of interest (EOI)

How to prepare a method proposal for  
the ACCU Scheme

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### **Acknowledgement of Country**

We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

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## Introduction

The Australian Carbon Credit Unit (ACCU) Scheme encourages people and businesses to run projects that reduce emissions or store carbon, for example by changing the way vegetation or land is managed, upgrading equipment, changing business practices to improve productivity or energy use.

The new interim method development process is guided by:

1. The objects of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act), which set out the purpose of the legislation.
2. A set of specified triage criteria, which inform the assessment and prioritisation of methods developed under the Scheme.
3. Offsets Integrity Standards (OIS) set out in section 133 of the CFI Act, which ensure ACCUs issued under approved methods represent genuine abatement that can count towards Australia's international emissions reduction commitments.

This is a guide for submitting an expression of interest (EOI) for a new method under the interim proponent-led method development process.

Method proposals may be developed and submitted by anyone including private applicants, non-government organisations, industry associations, or government agencies.

This guide includes an explanation of each item of the EOI template and guidance on the kinds of evidence and information that will be required for the Emission Reduction Assurance Committee (ERAC) to assess the proposed method. This guide matches the questions in the EOI template. Please refer to it when filling out the template. All questions in the template must be answered.

## Method development process overview

Submitting an EOI is the second step in developing an ACCU Scheme method. You are invited to submit a method idea to the ERAC Secretariat using the [method idea template](#). We actively encourage proponents to list their idea on the Method Development Tracker and to reach out to others who may have similar ideas and where collaboration on a method may be possible. If the ERAC Secretariat receives similar EOIs, you may be invited to resubmit a joint EOI, which would be considered at a later date.

You must use the [EOI template](#) to submit a proposal for a new method or method variation. Under the interim process, EOIs must be assessed by the ERAC and prioritised by the Minister for Climate Change and Energy before being eligible to be further developed into a complete method proposal. The ERAC will advise the Minister on:

- whether your proposal is likely to meet the OIS set out in section 133 of the CFI Act, once fully developed, and
- if so, how your proposal compares to other EOIs when assessed against the triaging criteria specified by the Minister and are discussed in this document.

Under the interim process, the Minister will prioritise methods for development based on the ERAC's assessment and advice. If the Minister prioritises the EOI, the person or organisation who submitted the EOI will be responsible for developing the method.

For further information on the ACCU Scheme and method development process, please visit the [ERAC Secretariat webpage](#). While the EOI call is open, the ERAC Secretariat will hold weekly information sessions to answer questions on the process, on ideas, and on submitting an EOI

## Preparing to submit your EOI

### Checklist

Have you:

- Submitted your method idea to the ERAC Secretariat, using the Ideas template?
- Checked the method development tracker for opportunities to collaborate with other method developers with similar ideas?
- Familiarised yourself with the method development process:
  - Determined which information will be public, and considered whether your method relies on commercial-in-confidence information?
  - Considered the workload associated with carrying out further method development of your proposed method?
  - Noted the likely timelines for method development?

### Key issues to consider when submitting an EOI

The EOI should be written in plain English, with all technical terms well defined.

Methods are not intended to support or mandate the use of trademarked or proprietary products. They are a collection of rules that provide assurance that an abatement activity delivers a certain amount of genuine abatement. The proposed method rules should support a range of projects to be carried out by a range of organisations or individuals.

Projects registered under a method (once made) may seek to deliver the abatement activity using proprietary technologies or strategies. Once the method has been made, a project plan for the specific project type, which may include proprietary information, could be submitted to the Clean Energy Regulator.

You are strongly encouraged to collaborate with other proponents who have similar ideas when preparing your EOI. Collaborating during method development can help reduce costs of method development and identify broader opportunities for participation and uptake. Also, collaborating with stakeholders, Aboriginal or Torres Strait Islander organisations or communities, and experts in your field could also strengthen the evidentiary base of your method proposal, which may help it to be prioritised for development.

You can identify opportunities to collaborate on developing an EOI or method by checking the Method Development Tracker, which reflects the progress of ideas, EOIs, and method proposals.

### Supporting information

Responses in the EOI template will be strengthened if you provide supporting information in the form of a reference list at the bottom of your answer for each question. Documents may be appended where appropriate. The reference list should allow the person reading your EOI to easily locate and verify the sources cited. Evidence provided that is peer or independently reviewed, such as industry or academic studies, or outputs derived from Traditional ecological knowledge, will be highly regarded.

If necessary, you can request some supporting information be kept confidential. This information must be clearly marked 'CONFIDENTIAL'. You must provide an explanation as to why this information should not be published. The ERAC Secretariat may seek more information from you on why the information should not be published.

We are committed to promoting a transparent method development process. It should be possible for the public to clearly understand why and how the ERAC decisions were made, so EOIs should contain predominantly non-confidential information.

## Completing the EOI template

### Section 1: Method developer contact details

#### 1.1 Method developer contact details

All contact information in the EOI template will be published on the method development tracker. Contact details are needed so the ERAC Secretariat can contact you to discuss your EOI. Please note, the ERAC Secretariat may share your contact details with third parties to enable collaboration. These can be the same contact details provided with a method idea.

### Section 2: Eligibility

#### 2.1 Registering your idea with the ERAC Secretariat

Before submitting an EOI, you are encouraged to submit your idea for publication on the Method Development Tracker. We strongly encourage proponents to list their idea on the Method Development Tracker and to reach out to proponents where collaboration on a method may be possible.

If the ERAC receives similar EOIs, you may be invited to resubmit a joint EOI, which may only be considered at a later date.

#### 2.2 Eligibility of proposed carbon abatement

ACCUs are only provided for reduction or removal of eligible emissions that are included in Australia's National greenhouse gas inventory. Abatement to be credited under the proposed method must only be:

- that which would result from projects conducted in accordance with the method (if made), and
- is capable of being used to meet Australia's mitigation targets under the Kyoto Protocol and Paris Agreement.

Assessments of eligibility will occur during the EOI stage. **Error! Reference source not found.** summarises the categories for greenhouse gas emissions and removals included in Australia's national greenhouse gas inventory. Please identify the categories that are relevant to your method idea.

### Section 3: Experience and consultation

#### 3.1 Skills and expertise

Developing a method for the ACCU Scheme requires a sound understanding of carbon crediting concepts including measurement, verification, and additionality of emissions reductions.

Please outline how you or your organisation's skills, expertise, and experience are relevant and valuable in developing your proposed method.

#### 3.2 Expert consultation

Applicants are encouraged to consult with relevant experts when developing their EOI. This will improve your EOI's chances of being assessed as likely to meet the Offsets Integrity Standards when fully developed, and to be considered favourably for prioritisation when compared against other EOIs applying the triaging criteria (see section 8).

For example, you might consult with an academic institution, Aboriginal and/or Torres Strait Islander cultural expert/practitioner, a specialist of the activity or industry your method relates to, or a certification and standards body.

Please provide the names and organisations of technical experts consulted in the development of your EOI. You must have permission to include the names and expert individual or organisation, an Aboriginal and/or Torres Strait Islander Cultural expert/practitioner prior to submitting your EOI. Experts may be engaged to assist with developing all, or part of the EOI.

### **3.3 Community groups, organisations, and individuals**

Consulting all groups with relevant interests is important as early engagement will test a method and its application in its early development.

*You are encouraged to undertake preliminary engagement consultation with broader community groups, organisations, or individuals when preparing your EOI.*

However, if your proposed method is shortlisted for development, you will be encouraged to consult with Aboriginal or Torres Strait Islander peoples, communities and/or organisations, and relevant community groups such as local land management associations.

Please indicate which groups or organisations you think would be most relevant to consult with *should your EOI be shortlisted*.

### **3.4 Aboriginal and Torres Strait Islander inclusion**

You are encouraged to work with Aboriginal and Torres Strait Islander peoples on your EOI. If appropriate, submit your EOI in partnership with relevant Aboriginal and Torres Strait Islander groups.

Finding ways to involve Aboriginal and Torres Strait Islander peoples and communities in method development opportunities is important, particularly for land sector methods as over 58% of the Australian land mass is subject to Native Title and Aboriginal and Torres Strait Islander rights and interests.

Including Aboriginal and Torres Strait Islander peoples and communities early and meaningfully in method development processes shows respect for their culture, rights and interests. It can also provide valuable insights and knowledge that may enhance the effectiveness and sustainability of carbon crediting methods.

If Aboriginal or Torres Strait Islander peoples and communities have not been engaged, please indicate why.

## **Section 4: Similarity to existing or other proposals**

### **4.1 Similar methods under development**

Before submitting an EOI, you should consider whether a similar EOI has previously been assessed by the ERAC or is currently under development by another party. As discussed above, method proponents are strongly encouraged to consider collaborating on similar methods with a view to submitting a single consolidated proposal.

Please reach out to the ERAC Secretariat if you need assistance contacting other method developers.

### **4.2 Existing methods**



A method proposal can be progressed as a **new method**, a **variation** to an existing ACCU Scheme method, or **adapted from an existing method** in a different carbon crediting scheme. A list of existing ACCU Scheme methods can be found on the [ERAC Secretariat's webpage](#).

#### 4.2.1 What is a method variation?

Methods determine the rules and eligible activities for running an ACCU Scheme project. Methods are legislative instruments that must be approved by the Minister.

Section 114 of the CFI Act allows for methods to be changed or 'varied'. Methods can be varied for a range of reasons including to permit additional activities to be carried out, or to enable new measurement approaches.

#### 4.2.2 Adapting a method from a different carbon crediting scheme

If your method exists in a different carbon crediting scheme, you may be able to adapt the method so that it is suitable for the ACCU Scheme.

Note you will need to consider any copyright or intellectual property implications, and that the ACCU Scheme may have more stringent, or different, assessment criteria. For land-sector methods, the underpinning scientific foundation for a method developed in the context of another country may not be applicable or relevant to the Australian environment.

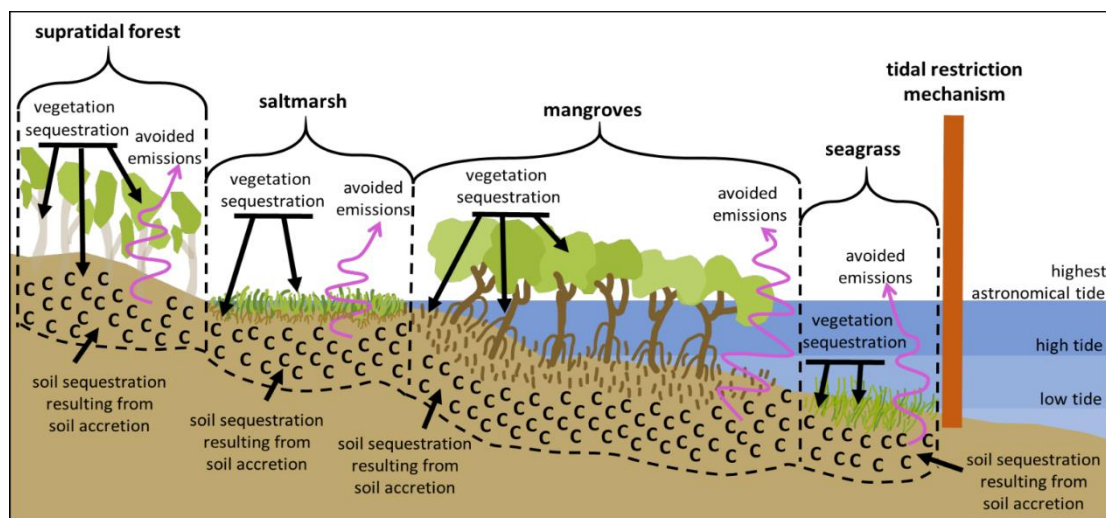
### Section 5: Activities and eligibility

#### 5.1 Project activity

Describe the types of activities that could be carried out under the method. As much as possible, describe the steps that would be involved in implementing the proposed project activities and how these would abatement.

You may choose to provide a simple diagram to illustrate the proposed project activity or activities and project boundary.

For example, Figure 1 shows an example of a diagram taken from the [Simple Method Guide for the Tidal Restoration of Blue Carbon Ecosystems](#) method.



**Figure 1** – Carbon sequestration and emissions avoidance covered by the tidal restoration of blue carbon ecosystems method (illustrative only)<sup>1</sup>

Your description should explain whether potential projects would:

- Remove and sequester greenhouse gases from the atmosphere,
- Reduce or avoid emissions, or
- Remove AND reduce emissions.

*What is the difference between greenhouse gas removal and avoidance?*

The ACCU Scheme credits ACCUs for projects that:

- **Remove/sequester** (draw down) existing greenhouse gases in the atmosphere.
- **Avoid** the release of greenhouse gases that would have otherwise entered the atmosphere in a business-as-usual scenario.
- **Both** remove and avoid greenhouse gas emissions.

For instance, by planting trees you can **remove** carbon dioxide over time because trees take carbon dioxide from the atmosphere and convert into woody biomass, sequestering carbon. Alternatively, replacing a fossil fuel with a biobased fuel **avoids** emissions. The 2018 Savanna Fire Management (emissions avoidance and sequestration) method<sup>2</sup> is an example of a method that does **both**. This method credits planned fire management activities for both increases of carbon sequestration in dead organic matter and avoidance of emissions (methane and nitrous oxide) through reducing frequency and intensity of late dry season fires.

The Blue Carbon method also credits both emissions avoidance and sequestration (see Figure 1).

## 5.2 Project eligibility requirements

Clearly set out the requirements for projects to be eligible to apply the proposed method, that is:

- The types of projects, strategies or technologies that would be permitted including any detailed requirements you are proposing for the project activities listed in item 5.1 of the template.
- Any assumptions you have adopted to ensure the proposed measurement of net abatement under the method is sufficiently accurate and conservative.

## 5.3 Potential for double counting

Consider whether your proposal could risk double counting of emission reductions or abatement.

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<sup>1</sup> Clean Energy Regulator (2022) *Understanding your blue carbon project: Emissions Reduction Fund simple method guide for blue carbon projects registered under the Carbon Credits (Carbon Farming Initiative – Tidal Restoration of Blue Carbon Ecosystems) Methodology Determination 2022*, Australian Government, accessed May 2024 from <https://cer.gov.au/document/understanding-your-blue-carbon-project-simple-method-guide>

<sup>2</sup> [Savanna fire management methods | Clean Energy Regulator \(cer.gov.au\)](#) and [Federal Register of Legislation - Carbon Credits \(Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance\) Methodology Determination 2018](#)

This could occur where 2 activities are undertaken in a similar location over similar timeframes, for example, when 2 adjacent ACCU projects propose to impact the same emissions source.

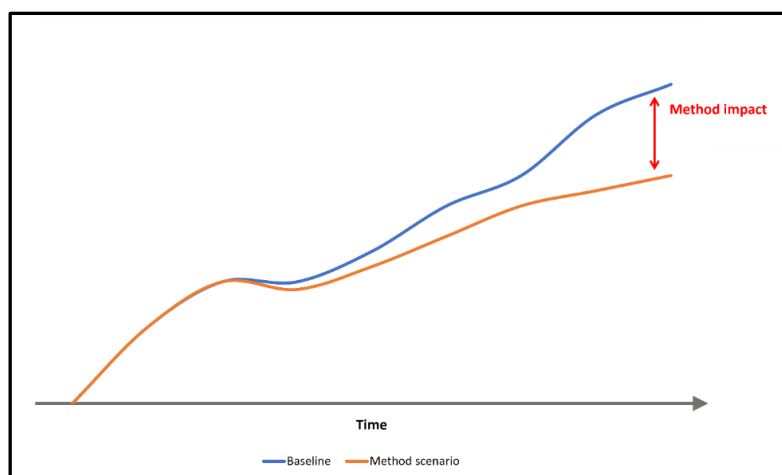
There may also be a double counting risk if the emissions reduction or sequestration benefits could be accounted for in other contexts. For example, in other voluntary or non-government carbon crediting schemes. There may also be a risk of double counting with Safeguard Mechanism Credits (for more information see [Safeguard Mechanism](#)).

## Section 6: Calculating net abatement

### 6.1 Baseline scenario

The term ‘baseline’ refers to the emissions or degree of sequestration that would occur in the absence of the ACCU Scheme project. As illustrated in Figure 2, the baseline scenario represents the set of circumstances and associated emissions that would have been in place if the ACCU Scheme had not existed. The ACCU Scheme seeks to drive the uptake or improvement of emissions reducing activities and practices by overcoming barriers, including financial barriers to project initiation.

The key purpose of setting the baseline is to confirm that any credited abatement is genuinely additional (see **Error! Reference source not found.**). Where baselines do not conservatively represent the level of emissions that would likely occur in the absence of ACCU Scheme incentives, the ACCUs issued may lack integrity. The baseline scenario helps to define how the baseline emissions or carbon stock should be measured against project abatement.

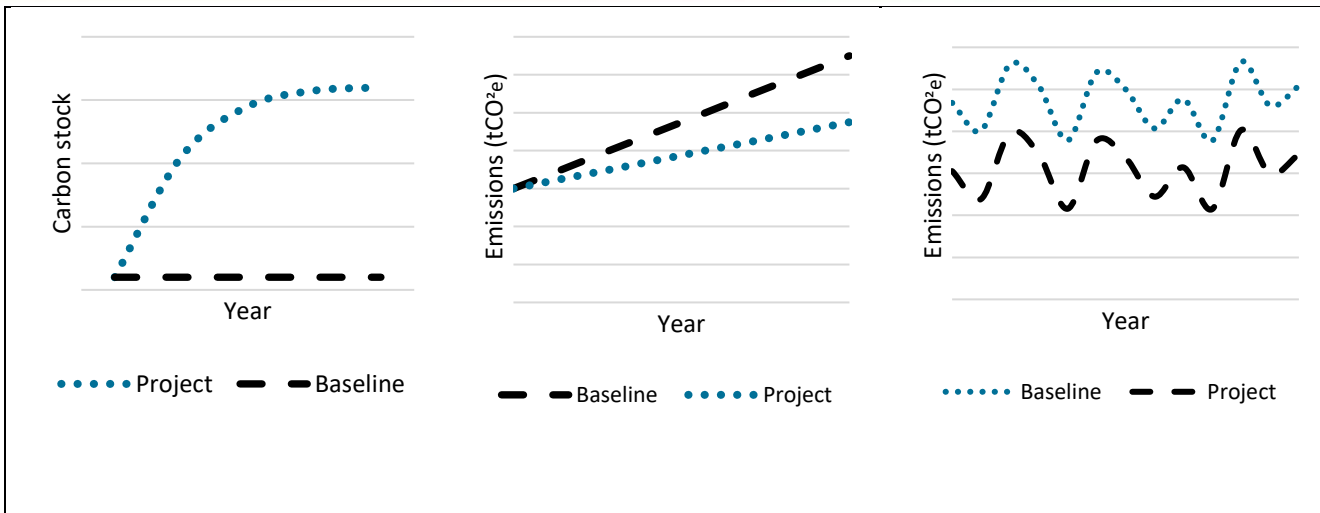


**Figure 2** – Method impact in relations to emissions occurring in business-as-usual scenario

A method can include a single baseline scenario or multiple baseline scenarios. Explicit instructions must be provided on how project proponents under a future method would identify and select the most appropriate baseline scenario for their circumstances.

### 6.2 Baseline scenario over time

Please indicate whether and to what extent the baselines should change over time to ensure proposed activities continue driving additional abatement. See Figure 3 for examples.



**Figure 3** – Three baselines scenarios; static, sloping, and dynamic (from left to right). Static baselines are set at a fixed level for the crediting period. Sloping baselines reflect a pre-existing trend in emissions and may be declining or increasing. Dynamic baselines are based on a particular variable or factor which directly affect project emissions or sequestration.

### 6.3 Project activity emissions

Project emissions calculations must include all material activities that would be undertaken under the proposed method. You need to account for any new emissions that could result from the proposed method’s eligible activities being carried out. New emissions sources can include fuel use, electricity use, and fugitive emissions. For example, a project designed to capture and combust methane from landfill gas may require a diesel generator to operate compressors and other related equipment. Operating the generator would not have occurred in the absence of the project and would give rise to project emissions that offset the climate benefits associated with destroying the methane.

You should consider how the proposed method would account for all material emissions in its calculations, and whether the deductions estimated are based on clear and convincing evidence. Accounting for and deducting all material emissions is also an OIS requirement (see [Section 7](#)). Typically, emissions have been considered material if they are 5% or more of the total project emissions. If you are unsure whether emissions will be material, best practice is to account for them.

### 6.4 Residual emissions

When determining the net abatement amount for a project activity conducted in accordance with a proposed method, you should consider the level of emissions that would continue to be emitted after the activity has been carried out. This would include considering how your activity reduces emissions in the baseline scenario.

### 6.5 Account for periodic variation

Describe how the proposed method would account for variations likely to occur in the amount of carbon stored or avoided. Periodic variations in carbon storage can result from several factors:

- **Natural cycles:** These include natural fluctuations such as El Niño and La Niña events, seasonal changes, and longer-term shifts in climate patterns. Each of these can influence ecosystem productivity, carbon absorption rates, and the overall health of biomass.
- **Human activities:** Regular activities such as forestry harvesting, rotational grazing, or planned burning can lead to significant but predictable changes in carbon stocks.

- **Business fluctuations:** These include technological efficiency, for example a factory might see variations in its emission reductions as equipment ages or with seasonal adjustments in production lines. Economic cycles such as downturns may also lead to decreased industrial activity, or economic growth that might increase production rates and emissions.

These variations can be accounted for in several ways. For example, if emissions are standardised against a unit of output (e.g. tonne of carbon dioxide equivalent (tCO<sub>2</sub>-e) per unit of product produced by a facility), this should reflect any business fluctuations.

Periodic variation could also be accounted for by ensuring multiple years of data are used. Abatement calculations could also include a discount factor that reflects historic variation or projected future variation from the impacts of climate change.

## 6.6 Account for carbon leakage

Provide detail on whether and to what extent the proposed method may result in carbon leakage and how leakage could be accounted for in the method design.

Carbon leakage refers to increases in emissions or reduced sequestration that occur outside the project boundary because of the project activity. Leakage can be **direct** or **indirect**.

**Direct** leakage, also known as activity shifting, is where the project proponent physically moves the emitting activity to another location, outside the project boundary, while claiming credits for the reduction in emissions inside the project boundary. For example, a company claims to reduce emissions from landfill A by installing a flare. However, the company is using an old flare removed from landfill B. The company has reduced emission from landfill A but increased them at landfill B.

**Indirect** or ‘market’ leakage refers to instances where the benefits of the abatement within the project boundary are negated by market-induced increases in emissions or reductions in removals outside of the project boundary. For example, a significant uptake of a method involving reforestation of grazing land, could trigger an increase in meat prices, leading other farmers to increase their herds and create more grazing land by increasing deforestation. Consequently, even though there was no direct communication or interaction, leakage has still occurred.

## 6.7 Calculating net abatement

Describe how the net abatement will be calculated. You are encouraged to provide a graph or chart similar to **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.** showing the baseline relative to abatement over the life of a project. These do not have to be based on specific data but should be based on realistic estimations.

Methods typically use one of 2 broad ways to calculate net abatement:

FOR AVOIDED EMISSIONS	FOR SEQUESTERED EMISSIONS
<b>Net abatement = Baseline emissions – residual emissions</b>	<b>Net abatement = project abatement – baseline abatement</b>

<p>Where:</p> <p><b>Net abatement</b> = tCO<sub>2</sub>-e that are prevented from entering the atmosphere</p> <p><b>Baseline emissions</b> = tCO<sub>2</sub>-e that would have been emitted <i>without</i> the ACCU Scheme.</p> <p><b>Residual emissions</b> = tCO<sub>2</sub>-e that are emitted within the project boundary after the relevant abatement activity has been carried out.</p>	<p>Where:</p> <p><b>Net abatement</b> = the reduction in tCO<sub>2</sub>-e in the atmosphere</p> <p><b>Project abatement</b> = the amount of tCO<sub>2</sub>-e that is removed from the atmosphere by the project</p> <p><b>Baseline abatement</b> = the amount of tCO<sub>2</sub>-e that would have been removed from the atmosphere without the project.</p>
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See sections 6.1, 6.2, 6.3 and 6.4 for an explanation of baseline emissions and project emissions.

## Section 7: Offsets Integrity Standards

Abatement credited under the ACCU Scheme must meet the Offsets Integrity Standards (OIS) set out in section 133 of the CFI Act. The OIS ensure carbon credits issued under the Scheme’s methods represent real emissions reductions that are eligible to be counted towards meeting Australia’s international emissions reduction obligations. Before a method is made or varied, the ERAC must advise the Minister on whether a proposed method complies with the OIS:

- **Additionality:** A method should result in carbon abatement that is unlikely to occur in the ordinary course of events (disregarding the effect of the Act).
- **Measurable and verifiable:** A method involving the removal, reduction, or emissions of greenhouse gases should be measurable and capable of being verified.
- **Eligible carbon abatement:** A method should provide abatement that is able to be used to meet Australia’s international mitigation obligations.
- **Evidence-based:** A method should be supported by clear and convincing evidence.
- **Project emissions:** Material greenhouse gas emissions emitted as a direct result of the project should be deducted.
- **Conservative:** Where a method involves an estimate, projection, or assumption it should be conservative.

The proposed method does not need to meet the OIS at the EOI stage, but there must be enough evidence to give the ERAC confidence that the proposed method is *likely* to meet the OIS when completely developed and specified. The ERAC cannot advise the Minister an EOI should be prioritised if there is insufficient evidence or if it considers the proposed method is unlikely to meet the OIS.

Building on the information provided in previous sections, please provide a summary assessment of how your proposed method meets or would meet each OIS and the evidence that substantiates these claims. Where relevant, you may cross reference evidence already provided in previous sections.

You should also:

- Identify uncertainties or areas of concern about how the proposed method may align with the OIS and how these could be mitigated.
- Outline any further work, for example, conducting research or developing conservative calculations, needed during the proposed method’s development to meet the OIS and how this would be carried out.

This section provides guidance on addressing the other 4 of the OIS. Guidance on addressing eligibility and project emissions OIS is set out in sections 2 and 6. More information on the OIS and how they are applied can be found on the [ERAC Secretariat's webpage](#).

### **7.1 How would your proposed method be addition to business-as-usual practice?**

A method under the ACCU Scheme should result in carbon abatement that is unlikely to occur in the ordinary course of events. This is referred to as “additional” abatement.

When responding to this question, you should consider:

- Whether activities covered by the proposed method would occur if the ACCU Scheme did not exist. For example, the ACCU Scheme may help drive activities because credits:
  - Overcome financial barriers to uptake associated with those activities.
  - Legitimise the abatement potential associated with projects for potential investors.
  - Make more people aware of an opportunity for reducing emissions. This could also help drive investment, participation, and uptake.
- Whether the activities would be occurring in a different way, or to a different degree of success if the ACCU Scheme did not exist.

Where only a proportion of the abatement is likely to be additional, or abatement is only likely to be additional under certain circumstances, methods may propose sloping baselines, crediting discounts, or eligibility requirements.

Projects under a method must also meet regulatory additionality requirements. Projects must not be required to be carried out by or under a law of the Commonwealth, state, or territory.<sup>3</sup>

### **7.2 What evidence will your proposed method be based on?**

All removals, emissions reductions, and other emissions associated with a project must be able to be measured or estimated reliably. A conservative approach must be used if any assumptions are applied – see section 7.5.

Measurements and estimates must be verifiable.

When responding to this question, you should explain:

- How you would measure or estimate removals, emission reductions and project emissions.
- Emissions reduction calculations may be achieved by several means including: direct measurement; using models; by comparing the project emissions with a control group; or using emissions code ratings developed by industry.
- Whether there is sufficient evidence that the preferred measurement or estimation approach is robust.

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<sup>3</sup> See s27(4A)(b) of the CFI Act



- Whether the proposed measurement or estimation approach sufficiently controls for the impacts of factors unrelated to the project on relevant removals and emissions.
- How you have accounted for uncertainties in your calculations and assumptions.
- Whether there is contention amongst the scientific community on matters that are directly relevant to your proposed method and its approach to carbon abatement measurement and estimation.
- How verification would be achieved. For example, verification may be achieved through audits, models, self-verification, satellite imagery or other measurement technologies.
- Any additional evidence you are planning to collect and how you proposed to collect it.

At EOI stage, you are only required to have considered your measurement and verification approach at a high level. Further detail would be worked through if the EOI is developed into a complete method.

### 7.3 How will your proposed method be conservative?

All estimates, projections, and assumptions that have an influence on the calculation of net abatement must be conservative. Conservative means estimates, projections and assumptions that are cautious and likely to avoid the over-estimation of abatement from projects.

In applying the conservative OIS, the ERAC generally considers:

- The degree of uncertainty associated with the estimate, projection and assumption.
- The potential for direct and indirect carbon leakage that could arise as a consequence of project activities (see section 6.6 **Error! Reference source not found.**).
- The risk of non-permanence for sequestration projects and whether, having regard to the permanence period discount, the net abatement amount is sufficiently conservative.
  - Non-permanence refers to the risk that sequestered carbon by an offset project will be fully or partially released in the future.
  - The permanence period discount refers to the 20% discount applied to projects that nominate a 25-year permanence period. This is in addition to the risk of reversal discount of 5% that is applied to all ACCUs issued for sequestration projects.

## Section 8: Method proposal triage criteria

The triage criteria are specified by the Minister and will be used by the ERAC to assess EOIs and recommend ones for prioritisation. This advice will inform the Minister's decision on prioritising EOIs. This is in addition to the ERAC's assessment of the likelihood of EOIs meeting the OIS.

The triage process will ensure method proposals most likely to meet the objectives of the ACCU Scheme are developed first. The triage process will also assist the ERAC to manage its workload.

The primary triage criteria are:

- The scale of potential carbon abatement under the proposed method based on method design, scope and likely uptake.
- The proposed method's complexity (how easily it could be developed into a method).

The secondary triage criteria are:



- Whether the proposal could generate social, environmental, economic, or cultural co-benefits, including for First Nations peoples.
- Whether the proposal incentivises innovation.
- Whether the activities envisaged in the proposal could have any adverse environmental, economic social and/or cultural impacts, and the extent to which these can be managed.

### **8.1 Total abatement potential**

Describe the possible total abatement potential of the proposed method, including:

- An estimate of the likely number of projects that could carry out activities under the proposed method across Australia. Provide supporting evidence and justification. For example, could the activities be expected to be undertaken by a wide range of proponents? How ready would potential proponents be to undertake projects?
- An estimate of the likely abatement associated with each project, and scale of abatement associated with potential broader uptake.
- Possible locations of projects across Australia i.e. particular regions/jurisdictions. For example, does the method only apply to particular regions or land types? Is uptake of the activity limited, i.e., to particular species of tree found in a particular region in Australia?
- An estimate of when the abatement is likely to occur. Can we expect most abatement in the short term, or longer term? You could consider the timeframes in relation to Australia's emissions reduction targets of 43% below 2005 levels by 2030, or net zero by 2050.

### **8.2 Proposal complexity**

The Australian Government is responsible for managing the efficient and effective use of public resources. Complex methods are likely to take more time and resources to develop and be assessed by the ERAC. The potential abatement under the proposed method should be significant enough to justify the time, effort, and resources required to make, assess, and maintain the method.

Outline any resources or materials that may be required to make or maintain the method. For instance, specialised software, technologies, or datasets.

Some methods may also be difficult for the Clean Energy Regulator to administer. For example, methods where abatement can only be verified by in-field observations, or where verification is reliant on experts with highly specialised skill sets.

### **8.3 Broader positive outcomes**

Describe the broader positive environmental, economic, social or cultural impacts, including for Aboriginal and Torres Strait Islander peoples and communities, that might occur from the uptake of the proposed method. These are considered indirect benefits of a method that go beyond carbon abatement. This will assist the ERAC to assess the positive impacts of a method more generally.

A method with a range of additional positive impacts can result in ACCUs that are viewed as more desirable on the market. For example, in addition to the carbon benefits, the Savanna Fire Management method results in positive social and cultural benefits by providing avenues for participation by Aboriginal and Torres Strait Islander peoples and communities, and biodiversity benefits.

### **8.4 Innovation**

Describe any innovation in the sector that will be driven by your proposed method. How would the method accelerate the uptake of emerging ideas, technologies, and techniques important for the net zero transition?

Provide a clear rationale for each expected impact, with peer-reviewed evidence where possible. The ACCU Scheme is designed to unlock abatement activities that are otherwise not incentivised.

### **8.5 Preliminary risks and any potential adverse impacts**

Please complete a preliminary risk assessment that identifies any potential adverse or unintended risks or impacts that might occur from uptake of the proposed method. Consider the potential negative impacts, within and beyond the project boundary that might occur from proposed method activities and implementation. Also consider any requirements that could be applied as part of the proposed method to avoid or minimise the risks.

When considering whether to make a method, the Minister must consider whether any adverse environmental, economic, or social impacts are likely to arise from carrying out projects under the method.<sup>4</sup> To be prioritised, EOIs need to demonstrate a clear approach for addressing any identified risks or potential adverse impacts.

Consideration of risks may include the following:

- Project and scheme level risks.
- Social risks stemming from proposed activity or activities, such as workplace health and safety risks.
- Economic risks that could arise from the proposed activity or activities, such as impacts on the local economy.
- Environmental risks associated with the proposed activity or activities, such as negative biodiversity outcomes.
- Cultural risks associated with the proposed activity or activities, such as impacts on local communities or Aboriginal or Torres Strait Islander heritage.

## **Section 9: Method tools**

### **9.1 Method tools (where applicable)**

To the best of your ability, describe any tools that would be used as part of the proposed method, for example to model or calculate abatement. Provide detailed instructions regarding the use of any tool. Specify:

- The name of the tool
- The tool's development stage and the amount of work (and time) required to complete it
- Any intellectual property issues, and the tool's accessibility for future project proponents

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<sup>4</sup> Section 106(4)(c) of the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

- What you expect would be required for tool maintenance? What inputs or support would be needed to effectively host and maintain the tool over time?
- Anticipated costs of maintaining the tool
- Any other issues relevant to the ERAC's assessment.

If the tool would likely involve significant resources to maintain, you may be required to develop and submit a Tool Development and Maintenance Plan before the proposed method is completed or considered by the ERAC.

You may seek to use an existing tool developed for the ACCU Scheme or elsewhere in government.

## Section 10: Method development project plan

### 10.1 Project plan for method development

Please provide a project plan for developing your method proposal. Your project plan should act as a roadmap detailing the steps necessary to complete the method. The project plan should outline all major aspects of the method development process and set clear expectations. Your project plan will help the ERAC understand when your method could be ready for assessment and inform its forward work plan.

Your project plan can take any form and be submitted as an attachment. Please explain:

- The time needed to undertake further method development work
- If relevant, indicative timelines for any further research needed
- When your method could be ready for each step in the method development process
- The resources available to you to develop the method and whether they are sufficient
- Key stakeholders you plan to engage with on further development of the method, and timelines for engagement (in addition to the mandatory public consultation period for all methods)
- Project risks and other matters that may affect delivery of the method
- Any other information relevant for the ERAC Secretariat and ERAC.

## Section 11: References

Please provide a full reference list for all reports, papers, journals, and websites cited in your method proposal. This includes any references provided in the "supporting information" fields.

The reference list should allow for easy location and verification of the sources cited.

## Section 12: Appendices

Only append those documents cited that are not publicly available. Appended documents should be clearly numbered and labelled, indicating which sections they are relevant for.

## Appendix A: Categories and gases included in Australia's National greenhouse gas inventory

Australia's [National Inventory Report](#) fulfils Australia's international inventory reporting requirements under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

The National Inventory Report provides estimates of Australia's net greenhouse gas emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) classified using the UNFCCC classification system.

Emissions and removals are grouped under 5 sectors: energy, industrial processes and product use, agriculture, waste, and land use, land use change and forestry (LULUCF). The table below provides a summary and description of the sectors and their component categories included in Australia's National greenhouse gas inventory.

For more information about the emissions and removals of greenhouse gas emissions covered by a particular category, read Australia's [National Inventory Report](#) or the the [Australian National Greenhouse Accounts](#). For information on emission factors, please refer to the [National Greenhouse Accounts Factors](#).

Sector	Category name	Description
Energy – Electricity	Electricity generation	Emissions from the combustion of fuel to generate electricity.
Energy – Stationary energy excluding electricity	Energy industries	Emissions from the combustion of fuel to provide energy (other than electricity) used in petroleum refining, gas processing and solid fuel manufacturing including coal mining and oil/gas extraction and processing.
	Manufacturing industries and construction	Emissions from the combustion of fuel to provide energy (other than electricity) used in manufacturing such as steel, non-ferrous metals, chemicals, food processing, non-energy mining and pulp and paper.
	Other sectors	Emissions from the combustion of fuel to provide energy (other than electricity) used in the commercial, institutional, and residential sectors, as well as fuel used by the agricultural, fishery and forestry equipment.
Energy – Transport	Domestic aviation	Emissions from combustion of aviation gasoline and aviation kerosene by commercial passenger and light aircraft on domestic routes. Emissions from international aviation are not included.
	Road transport	Emissions from combustion of fuel by passenger vehicles, light commercial vehicles, trucks, buses and motorcycles.
	Rail transport	Emissions from combustion of fuel by railway locomotives.

Sector	Category name	Description
	Domestic water-borne transport	Emissions from combustion of fuel by domestic shipping vessels and small craft. Emissions from international water-borne transport are not included.
	Pipeline transport	Emissions from combustion of fuel for pipeline transmission of natural gas.
Energy – Fugitive emissions	Solid fuels	Emissions, other than those attributable to energy use, of CO <sub>2</sub> and CH <sub>4</sub> from coal mining activities, post-mining and decommissioned mines and CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O from flaring associated with coal mining.
	Oil and natural gas	Emissions, other than those attributable to energy use, from exploration, extraction, production, processing and transportation of natural gas and oil. Includes leakage, evaporation and storage losses, flaring and venting of CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O.
Industrial processes and product use	Mineral industry	Emissions of CO <sub>2</sub> from cement clinker and lime production; the use of limestone and dolomite and other carbonates in industrial smelting and other processes; soda ash production and use; and magnesia production.
	Metal industry	Emissions of CO <sub>2</sub> and PFCs from aluminium smelting; CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O from iron and steel production; and CO <sub>2</sub> from the production of ferroalloys and other metals.
	Chemical industry	Includes emissions of N <sub>2</sub> O from the production of nitric acid; CO <sub>2</sub> from ammonia production, acetylene use and the production of synthetic rutile and titanium dioxide; and CH <sub>4</sub> from polymers and other chemicals.
	Other product manufacture and use	Emissions of CO <sub>2</sub> from the consumption of CO <sub>2</sub> in the food and drink industry and the use of sodium bicarbonate. Emissions of SF <sub>6</sub> from electrical equipment.
	Product uses as substitutes for Ozone Depleting Substances	HFCs from refrigeration and air conditioning equipment, foam blowing, metered dose inhalers, fire extinguishers, solvent use.
	Non-energy products from fuel and solvent use	CO <sub>2</sub> produced by oxidation of lubricating oils and greases.

Sector	Category name	Description
Agriculture	Enteric fermentation in livestock	Emissions associated with microbial fermentation during digestion of feed by ruminant (mostly cattle and sheep) and some non-ruminant domestic livestock.
	Manure management	Emissions associated with the decomposition of animal wastes while held in manure management systems.
	Rice cultivation	CH <sub>4</sub> emissions from anaerobic decay of organic material when rice fields are flooded.
	Agricultural soils	Emissions associated with the application of fertilisers, crop residues and animal wastes to agricultural lands and the use of biological nitrogen fixing crops and pastures.
	Field burning of agricultural residues	Emissions from field burning of cereal and other crop stubble, and the emissions from burning sugar cane prior to harvest.
	Application of urea and lime.	CO <sub>2</sub> emissions from the application of urea and lime
Waste	Solid waste disposal	Emissions resulting from anaerobic decomposition of organic matter in landfills.
	Biological treatment of solid waste	Emissions resulting from the anaerobic decomposition of organic material in composting and anaerobic digester facilities.
	Incineration and open burning of waste	Emissions resulting from the incineration of solvents and clinical waste.
	Wastewater discharge and treatment	Emissions resulting from anaerobic decomposition of organic matter in sewerage facilities (including on-site systems such as septic tanks) during treatment and disposal of wastewater.
Land use, Land Use Change and Forestry (LULUCF: greenhouse gas emissions associated with land management practices)	Forest converted to other land uses	Emissions and removals resulting from the direct human-induced removal of forest and replacement with pasture, crops, or other uses since 1972.  Emissions arise from the burning and decay of cleared vegetation, and changes in soil carbon from current and past events.
	Land converted to forest	Emissions and removals (i.e. sinks) from forests established on agricultural land. Growth of the forests and regrowth on cleared lands provides a carbon sink, while emissions can arise from soil disturbance on the cleared lands (N <sub>2</sub> O).

Sector	Category name	Description
that impact the carbon stored in vegetation and soils)		Both new plantings and the regeneration of forest from natural seed sources contribute to this classification as well as sequestration projects under the ACCU Scheme.
	Forest land remaining forest land	Emissions and removals in forests managed under a system of practices designed to support commercial timber production such as harvest or silvicultural practices or practices that are designed to implement specific sink enhancement activities.  Forest harvesting causes emissions due to the decay of harvest slash and any subsequent prescribed burning. The regrowth of forests following harvesting provides a carbon sink.
	Cropland	Anthropogenic emissions and removals on croplands occur as a result of changes in management practices on cropping lands, from changes in crop type (particularly woody crops) and from changes in land use.
	Grazing land	Anthropogenic emissions and removals on grasslands result from changes in management practices on grass lands, particularly from changes in pasture, grazing and fire management; changes in woody biomass elements and from changes in land use.
	Wetlands	Net emissions from the coastal lands including dredging of seagrass, aquaculture, and loss of tidal marsh areas.  Changes in mangroves are reported under forest classifications.  Also includes net emissions from large inland water bodies.
	Harvested Wood Products	Net emissions from the domestic wood product pool.  The harvested wood product pool can be a carbon sink or source depending on the rate of input and the rate of decay.