



Emissions Reduction Assurance Committee
Clean Energy Regulator
Department of Industry, Science, Energy and Resources
GPO Box 2013
CANBERRA ACT 2601

Email: methoddevelopment@cleanenergyregulator.gov.au

30 November 2021

Dear Sir/Madam

Re: Biomethane method package: proposed new method activity under the Emissions Reduction Fund

Thank you for the opportunity to provide feedback on the Biomethane method package: proposed new method activity under the Emissions Reduction Fund (ERF).

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the essential waste and resource recovery (WARR) industry. We have more than 2,000 members across the nation, representing a broad range of business organisations, the three (3) tiers of government, universities, and NGOs. Our members are involved in a range of important waste and resource recovery activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery, and community engagement and education.

WMRR acknowledges that the federal government has, over the last few years, placed welcomed emphasis on the role that the WARR sector can play in reducing carbon emissions and WMRR notes that the ERF has been key in driving the abatement of CO₂-e from the industry; in 2019-20, more than 15.5 million ACCUs were issued to the sector, with the cumulative total under the ERF being upwards of 80 million.

The government's recognition industry's importance in driving carbon abatement has been further emphasised in recent months, including through the release of the \$67 million Food Waste for Healthy Soils Fund, which seeks to put organic waste to productive use on our agricultural soils, rather than going to landfill, as well as the recent release of the Bioenergy Roadmap, which lays out a vision for a sustainable bioenergy industry that can help lower emissions, increase fuel security, enhance waste recovery, and deliver economic benefits.

We welcome the Clean Energy Regulator's work to deliver this biomethane package. The changes proposed will provide greater flexibility to project proponents for how they commercialise renewable gas that is captured through eligible project activity under the landfill gas electricity generation, animal effluent, and wastewater treatment methods.

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Within the scope of this existing package, WMRR observes that under current drafting, existing projects that expand to biomethane activities will only be able to realise three (3) to four (4) years of conversion abatement. It is doubtful that this amount of time will facilitate viable projects and risks these desired biomethane projects not being able to proceed. Therefore, at least 12 years from when a biomethane project is installed and commissioned should be enabled.

More broadly, it is submitted that greater effort is required to suitably build on the federal momentum to abate carbon emissions utilising our essential industry. At this time, the proposed package only focuses on the use of biomethane and not how it is created. However, in order to receive ACCUs, consideration of how biomethane is created is imperative. With variations proposed for only three (3) ERF waste methods – animal effluent management, electricity generation from landfill gas, and domestic, commercial and industrial wastewater – there are still significant gaps that need to be addressed to bring it into line with, and fully capitalise on, other federal initiatives such as the Healthy Soils Fund.

Thus, WMRR makes the following recommendations that we hope the committee will take on board:

- As part of this package, anaerobic digestion (AD) of waste that uses biomethane will be eligible for ACCUs; however, this does not apply to solid or food waste. It does not seem logical (or productive) that solid and food wastes have not been included given these processes would use biogas to displace natural gas, which is the aim of the package, i.e., to displace fossil fuel-based natural gas with biomethane. At present, there are a number of existing AD facilities that utilise this feedstock, e.g., Richgro in WA and Earthpower in NSW, along with others in development, and while government asserts the benefits of biomethane, there remains a policy gap in driving the continuation and development of facilities that will generate biomethane from solid or food waste. We believe that there is an opportunity for the ERF to provide incentives to AD proponents to use biomethane from solid and food wastes, which is lacking in the current package.
- An obvious gap that needs to be urgently looked at is allowing both the use and generation of biomethane to receive ACCUs.
- As noted above, there is a strong federal push towards putting organic waste to productive use on our agricultural soils, alongside the Clean Energy Regulator's ongoing support for soil carbon sequestration. In WMRR's view, the committee should consider how it can align its work with ongoing federal policy development (and funding commitments) to prioritise organic and agricultural wastes in its ERF methodologies to reward the diversion of these materials from landfills, and the resultant abatement of carbon emissions.
- Following from the point above, WMRR strongly encourages the committee to first and foremost to continue its work in varying the Carbon Credits (*Carbon Farming Initiative – Alternative Waste Treatment (AWT) Methodology Determination 2015* and the *Carbon Credits (Carbon Farming Initiative – Source Separated Organic Waste (SSOW) Methodology Determination 2016*) to include biomethane activities.



- It is noted however, that the regulator has also decided not to allow for a crediting extension for these methods. It is vital that current and future proponents that utilise the AWT and SSOW methods are eligible to receive ACCUs for generation and use of biomethane and WMRR is urging the committee to prioritise this work in 2022.
- WMRR also recommends urgent pursuit of the intended prioritised research in 2022 for rapid inclusion of a broader set of agricultural wastes under the biomethane methods.

Please do not hesitate to contact the undersigned if you would like to further discuss WMRR's feedback.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G Sloan'.

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

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