

Emissions Reduction Fund Application Process

Overview

This factsheet provides information for farmers and land managers on how to apply to register their environmental plantings projects under the [Emissions Reduction Fund](#) (ERF) scheme.

About the Emissions Reduction Fund

The Emissions Reduction Fund is a voluntary scheme that provides incentives for a range of organisations and individuals to adopt new activities that reduce emissions. Participants who undertake eligible activities under the ERF can earn Australian Carbon Credit Units (ACCU) for emissions reductions. ACCUs can be sold to generate income, either to the government through carbon abatement contracts or on the secondary market.



How do I apply to register my environmental plantings project under the ERF?

Create a Clean Energy Regulator account

To participate in the ERF, you must register your project through the [Clean Energy Regulator Client Portal](#).

If you do not already have an account, you will need to create an account by signing up with an existing email address.

Before registering you will need to ensure your project meets eligibility requirements. To do this you can complete the [interactive Emissions Reduction Fund Questionnaire](#). It will take about 15 minutes and will help you to consider application requirements for ERF project registration.

Once you have created an account and confirmed your project meets all requirements, you can complete the online project registration form.

Open an Australian National Registry of Emissions Units (ANREU) account

In addition to registering your project with the Clean Energy Regulator, you will need to establish an Australian National Registry of Emissions Units (ANREU) account in order to receive Australian Carbon Credit Units (ACCU) earned from your project.

An ACCU is a unit issued to a person by making an entry for the unit in an electronic account through the ANREU registry. Each ACCU represents one tonne of carbon dioxide equivalent stored or avoided by a project and can only be issued once you have opened an ANREU registry account.

You can apply for an ANREU account [here](#).

How do I create a digital geospatial data file showing the project area?

Under the Emissions Reduction Fund rules, applications for the registration of environmental planting projects must include a digital geospatial data file showing the project area.

You can use the [Carbon + Biodiversity Pilot web portal](#) to generate the required digital geospatial data file. There are also other readily accessible GIS apps, like Google Earth Pro, that can be used for these purposes. If you use other GIS apps ensure they met [all data file requirements](#).

What is the Fit and Proper Person Test?

To register a project under the ERF, you must complete a Fit and Proper Person Test by submitting the necessary AFP National Police Check form.

If you are involved with other schemes or activities administered by the Clean Energy Regulator, you may have already met the identification procedures and passed the Fit and Proper Person test.

The Fit and Proper Person requirements generally consider a person's past compliance with the law, whether they are insolvent, and whether they have the necessary capabilities and competence to effectively fulfil their intended scheme role.

The Fit and Proper Person Test requires the applicant (and, where the applicant is a body corporate, the executive officers of the body corporate) to:

- ✓ not to be in receivership, under administration or in the course of being wound up.
- ✓ not to have been convicted of an offence in Australia or another country relating to dishonest conduct, the conduct of a business, the environment or the protection of the environment, or work health and safety.
- ✓ not to have been convicted of an offence under the *Criminal Code Act 1995* (Cth) relating to the provision of false or misleading information in a Commonwealth government process.
- ✓ not to have been subject to an order requiring the payment of a monetary penalty for a breach of the *Competition and Consumer Act 2010* (Cth), including a breach of the *Australian Consumer Law* – or have been subject to a similar order, or have been convicted of an offence, under a corresponding foreign law.
- ✓ in the 3-years preceding the application for registration, not to have engaged in conduct that was the subject of an enforceable undertaking, an infringement or penalty notice or criminal proceedings that have not been finally determined under a law of the Commonwealth, a State or Territory, or of a foreign country.

- ✓ not to have breached the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth), *National Greenhouse and Energy Reporting Act 2007* (Cth), *Australian National Registry of Emissions Units Act 2011* (Cth), *Renewable Energy (Electricity) Act 2000* (Cth), or regulations or rules made under these Acts, or a corresponding law in another country.
- ✓ not to have been refused registration, suspended or otherwise expelled from participating in a renewable energy or energy efficiency scheme.

The executive officers of a body corporate also must not have been disqualified from being a director of a body corporate under an order made by a court of a foreign country, or been disqualified from being concerned in the management of a body corporate under an order made by a court of a foreign country.

What is Eligible Interest Holder Consent?

Proponents of sequestration projects under the ERF must obtain the written consent of all 'eligible interest holders' for the conduct of the project on the land. Under the Carbon + Biodiversity Pilot, this consent must be obtained prior to the registration of the project under the ERF.

'Eligible interests' are defined broadly for these purposes to cover a range of interests held in relation to land on which the project is undertaken. These include:

- any estate or interest registered in relation to the land (e.g. leases, easements and covenants)
- mortgages and charges held over the land by a bank, financial institution or other person
- native title and registered native title bodies corporate

If these interests exist in relation to the land, you must get the holder of the interest to complete and sign an Eligible Interest Holder Consent Form and submit this as part of your application. More information about eligible interest holder consent can be found [here](#).

How do I calculate the Forward Abatement Estimate and Abatement Profile for the project?

The Forward Abatement Estimate is an estimate of the total abatement likely to be generated by the project over its 25-year crediting period (in CO₂-e). The Abatement Profile is an estimate of the abatement likely to be generated by the project each year over the crediting period.

To calculate the Forward Abatement Estimate and Abatement Profile for Carbon + Biodiversity projects, you should:

- (a) estimate the CO₂ that is likely to be sequestered in the plantings (annually and in total over the crediting period) using the [Carbon + Biodiversity Pilot web portal](#).

- (b) deduct a reasonable estimate of CO₂, CH₄ and N₂O emissions from fuel use on project activities.¹

Estimating CO₂

The [Carbon + Biodiversity Pilot web portal](#) can be used to forecast the CO₂ that is likely to be sequestered in an environmental planting—both annually (Abatement Profile) and over the entire crediting period (Forward Abatement Estimate)—under average climate conditions. Simply draw your project area using the [Carbon + Biodiversity Pilot web portal](#) map and download the CSV file generated that estimates the tonnes of CO₂-e sequestered by your project.

Estimating emissions from fuel use

Emissions from fuel use can be estimated as follows.

For petrol vehicles:

- (a) estimate the amount of petrol you are likely to use on project activities within the project area (in litres);
- (b) divide the projected petrol use by 1,000 (to convert it to kilolitres);
- (c) multiply the result from (b) by 34.2 (to convert the amount into gigajoules, a unit of energy);
- (d) multiply the result from (c) by:
 - i. 67.4 (to calculate the CO₂ emissions);
 - ii. 0.02 (to calculate the CH₄ emissions);
 - iii. 0.2 (to calculate the N₂O emissions);
- (e) sum the amounts in (d)(i), (d)(ii) and (d)(iii).

For diesel vehicles:

- (f) calculate the amount of diesel you are likely to use on project activities within the project area (in litres);
- (g) divide the projected diesel use by 1,000 (to convert it to kilolitres);
- (h) multiply the result from (b) by 38.6 (to convert the amount into gigajoules, a unit of energy);
- (i) multiply the result from (c) by:
 - iv. 69.9 (to calculate the CO₂ emissions);
 - v. 0.01 (to calculate the CH₄ emissions);
 - vi. 0.5 (to calculate the N₂O emissions);
- (j) sum the amounts in (d)(i), (d)(ii) and (d)(iii).

¹ Typically potential CH₄ and N₂O emissions from fires are included in abatement estimates. Under the Carbon + Biodiversity Pilot proponents are not allowed to undertake planned burns with plantings therefore CH₄ and N₂O emissions from planned fires do not need to be included.

If you intend to use a pre-2004 vehicle or heavy vehicles, you will need to use alternative energy content and emission factors. Details of these factors are available in Schedule 1 to the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*.

What is the Permanence Period?

The Permanence Period is the period over which participants are required to protect and maintain the credited carbon stocks. Participants must choose between a 25-year and 100-year Permanence Period. The period starts when the first ACCUs are issued to the project.

Which Permanence Period should I choose?

Applicants will have different preferences regarding Permanence Periods.

If a 25-year Permanence Period is chosen, there will be a 20% period reduction in the number of ACCUs issued for your project to cover the potential cost to the government of replacing carbon stores after the project ends. This is in addition to a 5% 'risk of reversal buffer' (a total reduction in ACCUs of 25%).

Under the Carbon + Biodiversity Pilot, your choice of Permanence Period will affect the biodiversity benefit score that is assigned to your project. In simple terms, a project with a 100-year Permanence Period will receive higher biodiversity benefit score than if it opted for a 25-year Permanence Period. Biodiversity benefit scores are used to rank and select projects under the Carbon + Biodiversity Pilot. Consequently, your choice of Permanence Period will affect your chances of being selected and receiving a biodiversity payment offer under the pilot.

You should weigh these factors and choose the Permanence Period that best fits the needs and preferences of your business. More information about permanence can be found [here](#).

More information

For more information, visit our website at agriculture.gov.au/agriculturestewardship

Enquiries about the pilot or the application process can be directed to agstewardship@awe.gov.au or the department's contact number at **1800 329 055**.