



Mr Joseph Lovie-Toon
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Department of Industry, Science, Energy and Resources
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Dear Mr Lovie-Toon

Re: Draft alternative waste treatment method variation

Thank you for the opportunity to provide feedback on the Clean Energy Regulator's draft Alternative Waste Treatment (AWT) method variation and for accepting the Waste Management and Resource Recovery Association of Australia's (WMRR) late submission.

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 greenhouse gas (GHG) emissions.

Australia's total GHG emissions for 2019 were 518.9Mt CO₂-e, with waste emissions for the year totalling 12.4Mt, accounting for 2.4% of Australia's total CO₂-e emissions. WMRR believes that the sector can significantly reduce our direct emissions as well as double the amount of ACCUs generated (to ~10MtCO₂-e) through landfill diversion, organics processing, and methane recovery. Further, as the WARR sector is intertwined with all other industries, we have a vast opportunity to assist the entire supply chain in reducing its carbon footprint through a regenerative economy.

As such, WMRR welcomes the proposed expansion of the biomethane method package to include AWT and would make the following recommendations:

- **Expansion of the crediting period** - 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, WMRR is seeking a

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crediting period of at least 12 years – which is the same crediting period as the landfill gas method, driving consistency within the ERF scheme - from when a biomethane project is installed and commissioned to improve project feasibility.

- **Deferral of the ACCU crediting** as it reduces the value of this key driver for projects and impacts project viability given the high upfront expenditure required.
- **Scheme structure:** ensure that the scheme structure does not unwittingly act to encourage waste generators to shift to new facilities after 12 years for continued ACCU benefits, risking premature facility closures.
- **Consideration of the AWT definition** to ensure that it suitably caters for intended energy recovery of organic waste at AWT facilities.
- **Expansion of the biomethane package** to cover additional processes and feedstocks. At present, 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. There are currently 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. WMRR would also add that there is a need to pursue inclusion of a broader set of agricultural wastes under the biomethane method. Further, an obvious gap that needs to be looked at is allowing both the use and generation of biomethane to receive ACCUs.

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

Yours sincerely



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