



# **Carbon Credits (Carbon Farming Initiative— Plantation Forestry) Methodology Determination Variation 2020**

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I, Angus Taylor, Minister for Energy and Emissions Reduction, make the following legislative instrument.

Dated            6 January 2020

Angus Taylor  
Minister for Energy and Emissions Reduction

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## **1 Name**

This is the *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination Variation 2020*.

## **2 Commencement**

This instrument commences on the day after it is registered.

## **3 Authority**

This instrument is made under subsection 114(1) of the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

## **4 Amendment of methodology determination**

The *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017* is amended as set out in Schedule 1.

# Schedule 1—Amendments of the *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017*

## [1] Paragraph 13(1)(a)

After “plantation forest”, insert “after the eligibility date for the land”.

## [2] Subsection 13(3)

Repeal the subsection, substitute:

- (3) For this section, the *eligibility date* for land in the project area is:
- (a) if this determination (including an earlier version of this determination) applied to the land immediately after the declaration of a plantation forest project as an eligible offsets project—the date of the application under section 22 of the Act; and
  - (b) if this determination (including an earlier version of this determination) first applied to the land immediately after an approval under section 130 of the Act—the date of the request under section 128 of the Act; and
  - (c) if this determination (including an earlier version of this determination) first applied to the land immediately after a variation to a project area under section 29 of the Act—the date of the relevant application for a variation under section 29 of the Act.

## [3] Subsection 14(3)

Repeal the subsection, substitute:

- (3) For this section, the *eligibility date* for land in the project area is:
- (a) if this determination (including an earlier version of this determination) applied to the land immediately after the declaration of a plantation forest project as an eligible offsets project—the date of the application under section 22 of the Act; and
  - (b) if this determination (including an earlier version of this determination) first applied to the land immediately after an approval under section 130 of the Act—the date of the request under section 128 of the Act; and
  - (c) if this determination (including an earlier version of this determination) first applied to the land immediately after a variation to a project area under section 29 of the Act—the date of the relevant application for a variation under section 29 of the Act.

## [4] Paragraphs 15(a) and (b)

Repeal the paragraphs, substitute:

- (a) a plantation forest project is a *pre-existing project* if:
  - (i) this determination applies to it because of an approval under section 130 of the Act; and

(ii) the determination that first applied to the project was not an earlier version of this determination; and

Note: This will have required a request under section 128 of the Act.

(b) the determination that applied to the project immediately before the application of this determination or an earlier version of this determination is the *former determination* for the project.

**[5] At the end of subsection 41(2)**

Omit “for the  $i^{\text{th}}$ ”, substitute “for the  $i^{\text{th}}$ ”.

**[6] At the end of subsection 41(2)**

Add:

; and (c) the net baseline carbon stock for the CEA for the reporting period ( $\bar{C}_{net,B,i}$ ) (in tonnes CO<sub>2</sub>-e) is calculated using equation 2A.

**[7] At the end of section 41**

Add:

(5) For paragraph (2)(c), the equation is the following:

$\bar{C}_{net,B,i} = \bar{C}_{B,i} - E_{B,Fire,i}$	<b>Equation 2A</b>
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where:

$\bar{C}_{B,i}$  is the baseline carbon stock (in tonnes CO<sub>2</sub>-e) for the  $i^{\text{th}}$  CEA—from equation 1.

$E_{B,Fire,i}$  is the baseline emissions from biomass burning (in tonnes CO<sub>2</sub>-e) for the  $i^{\text{th}}$  CEA—from equation 2.

**[8] Subsection 45(2)**

Repeal the subsection, substitute:

*Carbon stock in  $i^{\text{th}}$  CEA at end of reporting period—conversion CEA*

(2) If the  $i^{\text{th}}$  CEA is a conversion CEA, its carbon dioxide equivalent carbon stock at the end of the reporting period ( $C_{P,i}$ ) (in tonnes CO<sub>2</sub>-e) is calculated using the following formula:

$C_{P,i} = \bar{C}_{net,B,i} + \frac{n}{180} \times (\bar{C}_i - \bar{C}_{net,B,i})$	<b>Equation 10</b>
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where:

$\bar{C}_{net,B,i}$  is the net baseline carbon stock for the  $i^{\text{th}}$  CEA—from equation 2A.

$n$  is:

- (a) if fewer than 180 months have been completed since the start of the first event described in paragraph 17(4)(a) or (b)—the number of months completed; and
- (b) otherwise—180.

$\bar{C}_i$  is the predicted long-term average project carbon stock for the modelling period for the  $i^{\text{th}}$  CEA—from equation 4.

Note: Essentially, the effect of this equation is to credit the proponent with 1/15 of the expected increase in the long-term average quantity of sequestered carbon in the CEA in each of the first 15 years of the project. In practice, the amounts credited are likely to vary slightly from one reporting period to the next because  $\bar{C}_i$  and  $\bar{C}_{B,i}$  are re-calculated for each reporting period, and the scenarios used in the calculations are modified to reflect events that occurred during the reporting period. This recalculation may continue to produce adjustments after the initial period of 15 years. The calculation is done monthly to facilitate reporting more frequently than yearly.

**[9] Subsection 45(3) (definition of  $E_{g,i,k}$ )**

Repeal the definition, substitute:

$E_{g,i,k}$  is:

- (a) if the  $i^{\text{th}}$  CEA is a conversion CEA—zero; and
- (b) otherwise—the mass of greenhouse gas  $g$  per unit area (in tonnes per hectare for methane and in kilograms per hectare for nitrous oxide) emitted due to biomass burning in the  $i^{\text{th}}$  CEA in the  $k^{\text{th}}$  month since the modelling start date from the project scenario simulation.