



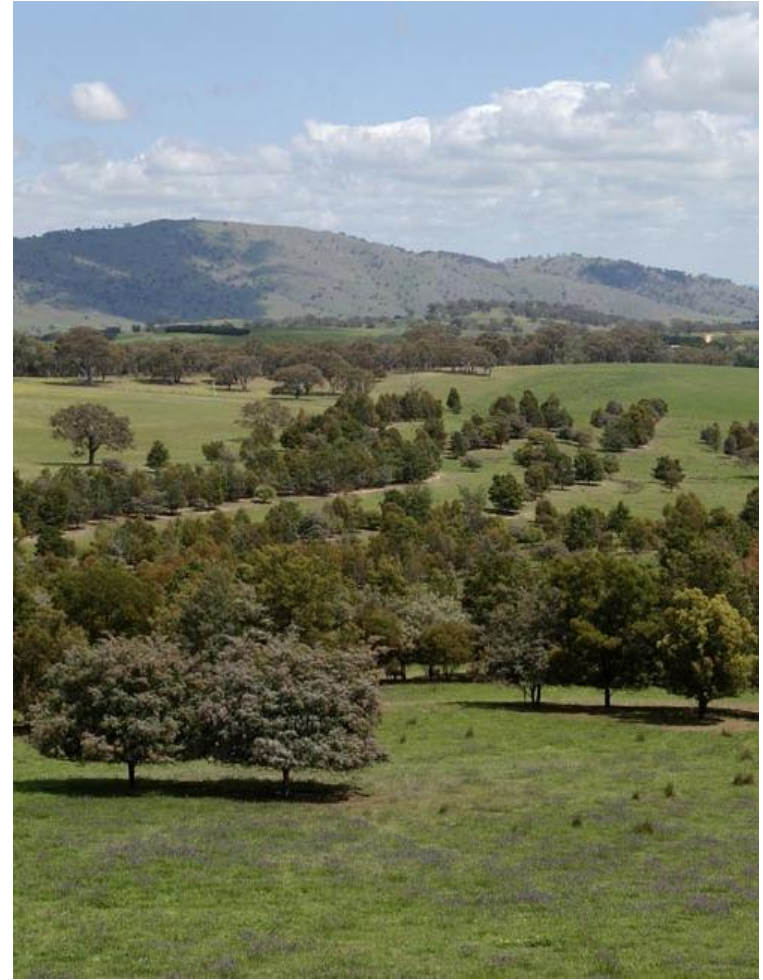
Australian Government
Department of the Environment

Australian Government Emissions Reduction Fund



Overview

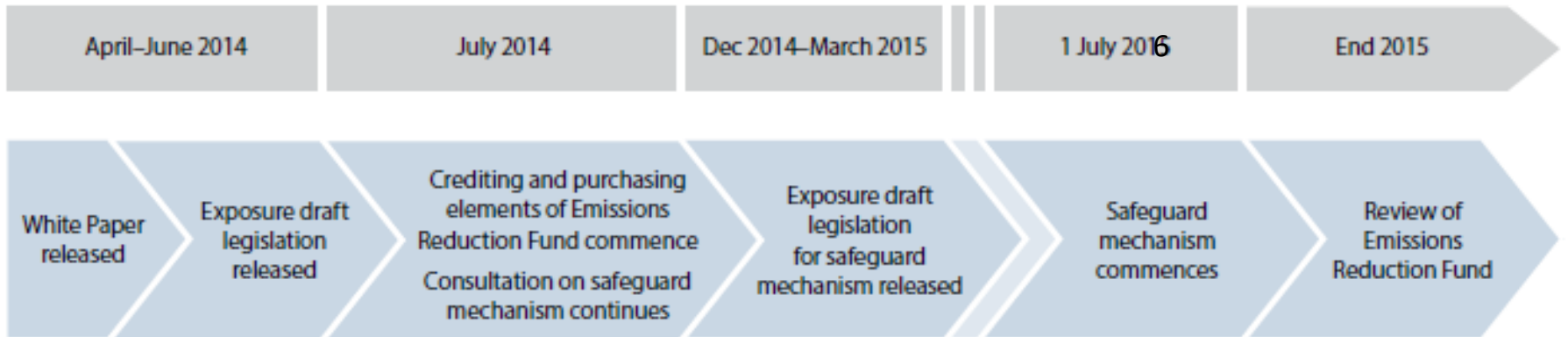
- Process and timing
- Implementation
 - Project process
 - Methods
 - Auctions
 - Contracts
- Questions



The Emissions Reduction Fund

- Central component of the Government's Direct Action Plan
 - Funding of \$2.55 billion
 - Additional funding to be considered in future budgets
 - Design based on 3 principles:
 - lowest cost abatement
 - genuine reductions
 - streamlined administration
-

Emissions Reduction Fund timeline



Operation of the ERF



Project process



Register
project

Estimate
reductions and
submit bid

Enter into
contract

Report and
receive
payment

Methods

Activity

- Energy/emissions efficiency
- Coal fugitives
- Transport
- Waste
- Land sector

Facility

- Multiple activities
 - NGERS reporters
 - Facility upgrades
 - Management practices
 - Energy efficiency
-

Current methods under development

Landfill gas collection on existing site	Engineered biodigester to treat wastewater
Combustion of coal mine methane	Project Impact Assessment Methods
Aggregated Metered Baseline Method	NABERS Metered Baseline Method
Reduction of emissions in transport	Alternative waste treatment
Facility Method	Increasing soil carbon in grazing systems
Expanding opportunities for environmental and carbon sink plantings	Expanding opportunities for avoided deforestation
Farm forestry	Reducing methane emissions from beef cattle
Savanna burning	

Auction process

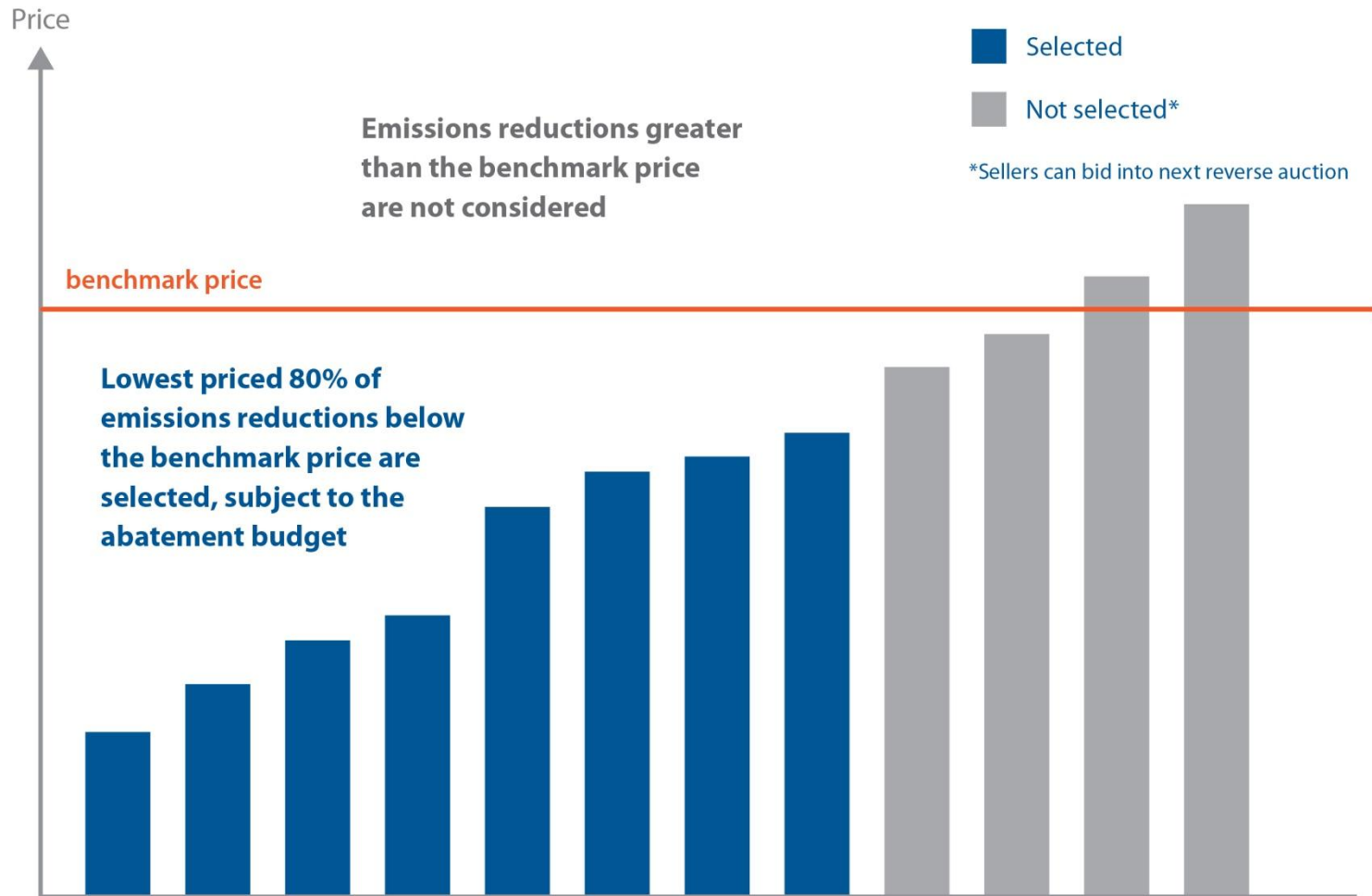
Pre-qualification

- Commercial readiness
- History of compliance
- Credible estimate

Submitting a bid

- Minimum bid size
 - One bid for each project
 - Bids can include multiple projects
 - Successful projects cannot re-bid
-

Assessing auction bids



Contracts

Standardised

- Price
- Quantity
- Delivery schedule

Contract period

- Five year preference
- Market testing

Make good

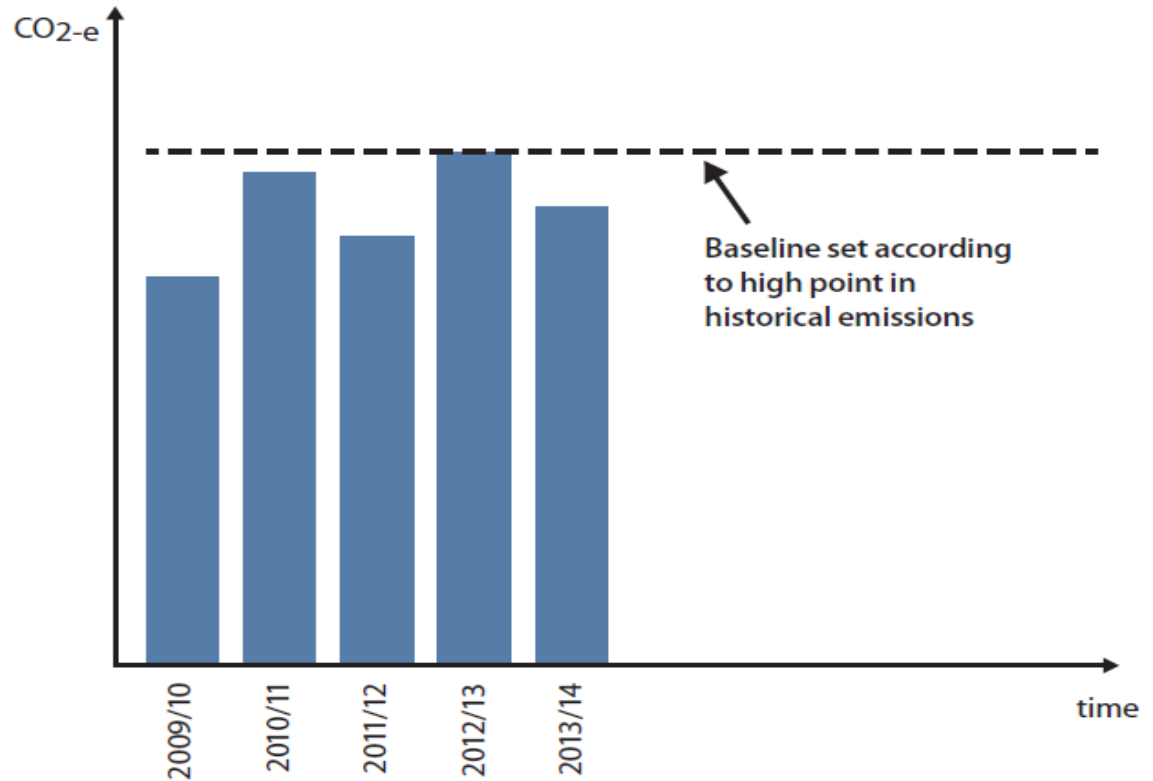
- Other ERF projects

Market testing will occur prior to the first auction to:

- ensure contract arrangements are right for business
 - assess whether alternative contract lengths are required
-

Safeguard mechanism

- Coverage
 - Scope 1
 - >100,000t
 - NGERS
- Baselines
 - Absolute
 - Historical
 - High point





Questions?