



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Method Development Interim Framework

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Acknowledgement of Country

Our department recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge Aboriginal and Torres Strait Islander Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, and present.

Method development interim framework

The Independent Review of Australian Carbon Credit Units (the ACCU Review) recommended the Government:

- replace the Emissions Reduction Assurance Committee (ERAC) with the Carbon Abatement Integrity Committee (the Integrity Committee) with an updated terms of reference; and
- establish a proponent-led method development process to give stakeholders the flexibility to develop or adapt new approaches to carbon abatement.

The Integrity Committee will be an independent expert committee with the primary role of assessing the integrity of proposed or varied methods. This includes providing assurance that the methods meet the Offsets Integrity Standards (OIS).

The Integrity Committee is not expected to be established until mid-2024. Establishing the Committee requires legislative changes. It will also take time for the government to implement the new proponent-led method development process¹ as further consultation and work to build the supporting administrative and assessment functions is carried out. The first Expression of Interest (EOI) process is likely to commence in 2024.

1.1 Purpose of the interim framework

The interim framework will enable work to continue while the new Integrity Committee and proponent-led method development process is being established. This document sets out the interim arrangements for method development, variations, and reviews. It also includes the status of the work underway before the review was released. The framework is accompanied by EOI guidance (Attachment A) which will be a living document to be updated as feedback is received by stakeholders and as the reforms progress.

The framework builds on the ACCU Review [Implementation Plan](#) released by the Department of Climate Change, Energy, the Environment and Water (the department) on 9 June 2023.

The full-time chair for the Integrity Committee was announced in September and a new First Nations member will be appointed shortly. This will strengthen the existing ERAC until the new Integrity Committee is established. The full-time Chair will guide the existing ERAC in fulfilling its statutory

¹ Proponent-led means that methods can be developed by any party. It can include industry, academia, or government.

functions including reviewing crediting periods and varying methods to address integrity issues (see section 1.3 below).

The interim arrangements will make use of existing departmental and stakeholder resources to progress method development and variations.

1.2 Government-led method development in the interim

The department will continue to develop the Integrated Farm and Land Management method and Savanna Fire Management methods variations.

However, the department will discontinue work on developing the proposed hydrogen method, the planned variation to the carbon capture and storage method to recognise use of carbon dioxide, and the planned variation to the transport method to incentivise sustainable aviation fuel and renewable diesel.

Under the Safeguard Mechanism reforms Safeguard facilities can no longer receive ACCUs for covered emissions. The discontinued methods primarily covered activities that would only reduce covered emissions at a Safeguard facility. This is one reason they were discontinued. If industry stakeholders remain interested in progressing discontinued methods, they will be able to submit expressions of interest through the new proponent-led method development process (once available).

1.3 Interim principles for method maintenance

The department will continue to progress some work to maintain existing methods, guided by the following considerations:

- Whether the work must be completed under existing legislation.
- Whether the work is required to maintain the integrity of the method and scheme.
- Whether the work is needed to support or align with government priorities and initiatives.
- The expected effort and timeframe to complete the work.

This includes supporting ERAC as it undertakes periodic reviews, crediting period extensions, and any outstanding method variations recommended by the ERAC in 2022. The department is also addressing recommendations of the ACCU Review, such as improving the integrity of the landfill gas methods.

1.4 Proponent-led method development in the interim

The ACCU Review recommended a proponent-led method development process. The first stage is proposed to involve an expression of interest (EOI) that outlines the method or module concept. The Integrity Committee would then triage EOIs to assess the method or module proposals that can be progressed for development.

Further information regarding the proponent-led method development approach is outlined in the [ACCU Review Discussion Paper](#) (the Discussion Paper) released by the department on 25 August

2023. The outcomes of this consultation process will be used to inform the design of the proponent-led method development process.

While this process is being developed, stakeholders can start preparatory work for new methods or modules. Guidance for how to prepare for the EOI process is set out in Attachment A (the EOI Guidance). More guidance will be provided as the development of the new process progresses. The criteria for assessing EOIs will be informed by consultation and submissions on the ACCU Review Discussion Paper, and engagement with the Chair of the Emissions Reduction Assurance Committee. The Integrity Committee will then determine how to interpret and apply these criteria. As the Integrity Committee will be an independent body separate from the department, the EOI Guidance should **not** be considered a definitive guide to what may be required in an EOI. Stakeholders should note the risk that even if they follow the EOI Guidance, their EOI may need further development to meet the needs of the Integrity Committee.

1.4.1 Departmental assistance in the interim

Stakeholders are welcome to contact the department via accumethods@dcceew.gov.au with any questions relating to the interim framework or ACCU Scheme methods.

The department will engage with stakeholders on the EOI process but can only provide limited support to method proponents on this process in the interim period. The department is prioritising implementation of the ACCU Review recommendations, including establishing the Integrity Committee and proponent-led method development process.