



Emissions from landfill facilities

Local governments and other operators may be liable to pay a carbon price for their methane emissions from landfill.

Landfill operators will have incentives to reduce their emissions by capturing methane, which can be used to generate electricity. Emissions can also be reduced by diverting waste or other treatments.

Landfill emissions

Many local governments and other operators are already taking action to reduce methane emissions from landfill facilities. Even so, the waste sector produces around 15 million tonnes of carbon pollution each year, equivalent to 3 percent of Australia's emissions.

Waste deposited in landfill today will create carbon pollution for decades as the material decomposes. Without action to reduce emissions, a tonne of standard municipal solid waste will release about 1.2 tonnes of carbon pollution.

The Clean Energy Future plan has the potential to significantly reduce our landfill waste emissions, potentially halving annual waste sector emissions by 2020.

Liability for landfill emissions

What landfill sites will be liable under the carbon price?

Landfill facilities with direct emissions of 25,000 tonnes carbon dioxide equivalent (CO₂-e) a year or more will be liable under the carbon price. As a broad rule of thumb, towns with 20,000 people or more should examine whether their landfill sites exceed the threshold.

The carbon price will not apply to emissions from waste deposited prior to 1 July 2012 (this is known as legacy waste emissions). This is because landfill operators cannot recover the cost of emissions from waste deposited in the past. Those emissions will count towards determining facility thresholds for liability for the carbon price.

There will be no carbon price liability for landfill facilities with emissions of less than 25,000 tonnes (CO₂-e) of carbon pollution a year for at least the first three years of the carbon price. The Climate Change Authority will review arrangements for these smaller landfills (between 10,000 and 25,000 tonnes) no later than 2015-2016. However, the Government's preference is to maintain the current arrangements unless there is clear evidence that the current thresholds have led to waste diversion in the industry.

If the threshold is changed (through changes to regulations) and affected, smaller landfills become covered by the carbon price mechanism sometime after 2015, the Government will ensure that these landfills are liable only for emissions from waste deposited after the change is made.

Measuring and reporting landfill emissions

Landfill operators liable under the carbon price will now be required to report their greenhouse gas emissions to the Clean Energy Regulator from 1 July 2012.

The National Greenhouse and Energy Reporting Act 2007 (the NGER Act) provides a framework for methodologies for estimating these emissions. Methods for estimating methane from landfills have been developed in consultation with stakeholders and are outlined in Part 5.2 of the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*.

The Government will conduct information and training sessions for affected landfill operators to meet their requirements under the NGER reporting framework in early 2012.

More information about the National Greenhouse and Energy Reporting Framework is available at: www.climatechange.gov.au/government/initiatives/national-greenhouse-energy-reporting.aspx

Opportunities to reduce landfill waste emissions

Landfill operators can reduce their carbon price liabilities or in some cases avoid liability by reducing their emissions below the liability threshold.

Activities that reduce emission including capturing landfill gas to generate electricity, flaring methane, waste diversion, recycling, and composting. Many of these activities can generate revenue and may be eligible for Government incentives through schemes such as the Renewable Energy Target and the Carbon Farming Initiative.

Carbon Farming Initiative

The Carbon Farming Initiative (CFI) will provide incentives to reduce emissions from legacy waste by creating carbon credits. This opportunity is open to any landfill with legacy waste irrespective of size. CFI credits can be used to meet obligations under the carbon price and can also be sold into voluntary and international carbon markets.

The waste sector is likely to generate enough CFI credits to meet the sector's liabilities under the carbon price in the period to 2020. In particular, landfill operators will be able to meet up to 100 per cent of their carbon price liability using credits issued under the Carbon Farming Initiative (CFI) during the fixed price years of the carbon pricing mechanism.

Landfill operators wishing to participate in the CFI will need to use methodologies approved by the Government. An independent expert committee, the Domestic Offsets Integrity Committee (DOIC), will assess methodologies and provide recommendations to the Minister for Climate Change and Energy Efficiency on their approval. A CFI methodology for the capture and combustion of landfill gas is currently under consideration by the DOIC.

Waste projects can be backdated to the commencement of the CFI. This will allow existing waste projects, such as those approved under the Australia Government's Greenhouse Friendly program and the Greenhouse Gas Reduction Scheme (GGAS), to receive CFI credits for abatement from 1 July 2010. More information on the CFI is available at www.climatechange.gov.au/cfi.

Renewable Energy Target

The Renewable Energy Target (RET) will help ensure that at least 20 per cent of Australia's electricity comes from renewable sources by 2020.

Landfill operators could also be eligible for support under the RET scheme. Power stations using landfill gas to generate electricity can apply to become accredited renewable energy power stations. This will allow them to create a tradable certificate for each megawatt-hour of electricity generated using landfill gas. More information on the RET, including on becoming an accredited renewable energy power station, is available at www.orer.gov.au.

Further Information

For further information call 1800 057 590.