



QUEENSLAND FARMERS' FEDERATION

Primary Producers House, Level 3, 183 North Quay, Brisbane QLD 4000
PO Box 12009 George Street, Brisbane QLD 4003
qfarmers@aff.org.au | 07 3837 4720
ABN 44 055 764 488

Submission

30 November 2021

Clean Energy Regulator
Australian Government
Department of Industry, Science, Energy and Resources
10 Binara Street
CANBERRA ACT 2601

Via email: methoddevelopment@cleanenergyregulator.gov.au

Dear Sir/Madam

Re: Submission on the draft biomethane method package under the Emissions Reduction Fund

The Queensland Farmers' Federation (QFF) is the united voice of intensive and irrigated agriculture in Queensland. It is a federation that represents the interests of 21 peak state and national agriculture industry organisations and engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Queensland United Egg Producers (QUEP)
- Turf Queensland
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallowa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd
- Eton Irrigation Scheme Ltd
- Pork Queensland Inc
- Tropical Carbon Farming Innovation Hub
- Queensland Oyster Growers Association
- Lockyer Water Users Forum (LWUF).

QFF welcomes the opportunity to provide comment on the draft biomethane method package under the Emissions Reduction Fund. We provide this submission without prejudice to any additional submission from our members or individual farmers.

The united voice of intensive and irrigated agriculture



Background

Queensland's agricultural sector is the largest provider of peak-load renewable energy, including energy from waste as defined under the *Renewable Energy (Electricity) Act 2000 (Cth)*, contributing over 1,200GWH of renewable energy annually (both behind the meter and for export to the grid).

QFF recognises the potentially significant contribution of Anaerobic Digestion (AD) and other technologies in achieving the desired outcomes of so many policy agendas, such as managing greenhouse gas emissions, increasing renewable energy generation, diverting organic waste streams from landfill and moving organic resources towards a more circular economy approach.

The agricultural sector and food and beverage producers have recognised the substantial opportunities to reduce emissions by recycling methane-producing wastes such as manures and food processing wastes; and the ability of AD to offset high peak electricity prices or negate obligations under the Safeguard Mechanism.

However, these incentives are insufficient on their own to stimulate Queensland's AD sector and, as such, we are seeking the incorporation of agricultural organic by-products into the biomethane methodology.

Bioenergy Estimates

QFF notes that the Australian Bioenergy Roadmap¹ reveals that by the start of the next decade, Australia's bioenergy sector could contribute around \$10 billion in extra GDP per annum, create 26,200 new jobs, reduce emissions by 9 percent, divert 6 percent of waste from landfill and enhance domestic fuel security.

A number of factors could be considered to help bioenergy meet its potential. These include² :

- A secure demand for bioenergy products, which will underpin investment for feed supply and bioenergy processing.
- A regime that places costs on carbon emissions across each of the areas in which bioenergy can contribute (e.g. heat, power, transport fuels, chemicals).
- Further understanding of the environmental and social costs and benefits of using different types of bioenergy in Australia.
- Local feedstocks with technical characteristics and costs that are well understood.
- Mapping of potential feedstock volumes and thus actual supply (fuel and electricity) that Australia can expect from biomass.
- Mapping of current industry and technologies being utilised, to provide a baseline against which growth may be measured.
- 'Buy in' from market drivers such as oil majors and car manufacturers.
- Greater understanding that some new tree crops can be integrated into current agricultural production systems to maintain or increase agricultural production, produce biomass and provide benefits such as soil protection.
- Integration of bioenergy production with production of co-products such as foodstuffs, chemicals and biochar.

Consultation

QFF understands that the Emissions Reduction Assurance Committee is seeking stakeholder submissions on the draft biomethane method package under the Emissions Reduction Fund.

¹ Bioenergy Roadmap - <https://arena.gov.au/knowledge-bank/australias-bioenergy-roadmap-report/>

² Bioenergy Australia. (2010) Overview of Bioenergy in Australia. Australian Government RIRDC. <http://www.agrifutures.com.au/wpcontent/uploads/publications/10-078.pdf>

Biomethane projects can earn carbon credits for the abatement that occurs when methane is converted to carbon dioxide, a less potent greenhouse gas, and when it is used as a substitute for natural gas.

QFF notes that biomethane can serve as a natural gas substitute, produced from the capture and refinement of waste gases. The new method will allow biomethane from waste and agricultural methods to reduce emissions and receive Australian carbon credit units (ACCUs).

The biomethane package includes proposed variations to three waste methods however, QFF's interest pertains to the Draft Carbon Credits (Carbon Farming Initiative – Animal Effluent Management Biomethane) Methodology Determination Variation 2021.

QFF would like to acknowledge the Clean Energy Regulator personnel from the Method Development Branch and the cooperative approach that they have fostered with industry.

Feedback

QFF acknowledges the submission by Bioenergy Australia. QFF is a participant on their biomethane incentives and certification group.

QFF supports Bioenergy Australia's submission which seeks amendments to:

1. Expand the package to include the alternative waste treatment method and source separated organic waste method as a matter of urgency
2. Expand the package to include an agricultural waste method
3. Extend the crediting period to support greater participation in the method
4. Accelerate credits in line with the King Review
5. Incorporate additional carbon abatement activity
6. Improve consistency in the calculation of losses between generation, biomethane and pipeline infrastructure
7. Be wary of unintended consequences caused by the 'newness test'
8. Remove requirement for natural gas to be combusted in Australia
9. Clarify credit creation for biomethane used in power generation
10. Consider credit ownership of post-diversion treatment for animal effluent
11. Reconsider the restriction of generation of electricity and biomethane from biogas after 7 years
12. Formula update required to consider impact of upgrading to biomethane
13. Electricity use should be offset via voluntary purchasing of LGCs
14. Clean Energy Regulator to develop method specific calculators

QFF notes that methods for alternative waste treatment and source separated organics have not yet been incorporated into the biomethane ERF package due to a lack of time and resources. QFF cannot understate the criticality to include source separated organics into the methodology. There are several projects reaching critical investment phase in Queensland, and a failure to address this shortcoming urgently will result in those projects not proceeding.

QFF welcomes the development of an agricultural waste method, and we understand that is being progressed by the CER, with \$200,000 in funding allocated to research the carbon calculations required to satisfy the offset integrity standard. QFF strongly supports this work, it is essential to include agricultural waste within the method as agricultural waste represents the vast majority of available feedstock. In Queensland 17MT of organic by-products are generated from the agricultural sector on average annually³. There is huge potential to valorise these organic resources further.

³ See <https://www.data.qld.gov.au/dataset/australian-biomass-for-bioenergy-assessment>



QFF seeks an enabling environment to drive a rapid growth of the anaerobic digestion and biogas industry. For example, the IEA has stated AD sits at the heart of the circular economy⁴, recycling organic wastes and serving to reduce food waste. The outputs serve to reduce the carbon footprint of heat supply, transport, agriculture, food manufacture and wastewater treatment. QFF is pursuing clarity around how the agricultural industry and government will respond to the changing outlook post-COP26 and considering the Global Methane Pledge⁵ and to realise the economic opportunities it presents.

QFF considers that addressing the 14 amendments listed in this submission will improve agricultures opportunity to participate and benefit from biomethane markets and technologies.

Thank you for taking the time to consider our submission. If you have any queries regarding this submission, please do not hesitate to contact me directly at Georgina@qff.org.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Georgina', is positioned below the text 'Yours sincerely'.

Dr Georgina Davis
Chief Executive Officer

⁴ See <https://www.iea.org/fuels-and-technologies/bioenergy>

⁵ See <https://www.globalmethane.org/>