

Project Application Form Guidance - Industrial Electricity and Fuel Efficiency Method

Purpose of this Guidance

This guidance details how to fill out the “Application to register a project” in the client portal¹ to apply for registration of a project under the *Carbon Credits (Carbon Farming Initiative- Industrial Electricity and Fuel Efficiency) Methodology Determination 2015*.

For your project to be registered by the Clean Energy Regulator your application must meet the eligibility requirements set out in Part 2 & 3 of the method.

Providing detailed information will be beneficial for assessment of your application and the ability of your project to meet ongoing audit requirements. You may need more space to provide these details than is included in the form; please attach extra information where needed.

Information to be included in application for declaration

The Clean Energy Regulator assesses your project to ensure that it is an eligible offsets project under the *Carbon Credits (Carbon Farming Initiative) Act 2011 (CFI Act)*, the *Carbon Credits (Carbon Farming Initiative) Rule 2015 (the Rule)* and the *Carbon Credits (Carbon Farming Initiative – Industrial Electricity and Fuel Efficiency) Methodology Determination 2015 (the method)*.

The *CFI Act*, *the Rule* and the method set out requirements for the information that must be included in an application for declaration of an eligible offsets project. In the method, these requirements are set out in section 13, **Information to be included in application for declaration**. Your application must contain the information set out by these documents for your project to be assessed as eligible.

Note: In assessing your project application the Clean Energy Regulator will only consider information related to the eligibility of the project to be registered as an Emissions Reduction Fund Project under subsection 27(2) of the CFI Act. You are responsible for ensuring that the project design is suitable for the implementation and is capable of producing eligible carbon abatement.

¹ <http://www.cleanenergyregulator.gov.au/OSR/CP/Pages/default.aspx>

Project Details

Is the project proposed to be carried out, or being carried out, entirely within Australia?

Under the requirements of the CFI Act, all projects must be carried out in Australia including its external territories.

Method category (selection)

You should select the 'Energy Efficiency' option in the drop-down menu.

Method (selection)

You should select the appropriate method. Methods are referred to by their short name i.e. Industrial Electricity and Fuel Efficiency.

Does the project meet the newness requirement?

For a project to be declared an eligible project, the project must meet the *newness requirement*. You should ensure you have reviewed the newness requirements of Section 27 (4A) to (4E) of the CFI Act prior to selecting the appropriate response. For further guidance on the newness requirement please review the information on the [Eligibility, additionality and newness²](#) page on the Clean Energy Regulator website.

Are the project activities funded under any of the government programs, or do they include any activities listed in section 21 of the Carbon Credits (Carbon Farming Initiative) Rule 2015 (rule)?

The rule excludes certain activities funded by other government programs from being the subject of an eligible offsets project. The list of excluded activities funded under 'other government programs' in section 21 of the rule includes activities under the Renewable Energy Target, the NSW Energy Savings Scheme, the Victorian Energy Efficiency Target and several other state and territory based energy efficiency schemes. Ensure that you review the requirements prior to selecting the appropriate response.

Is the project, or any part of it, required to be carried out by or under a law of the Commonwealth, a State or a Territory (regulatory additionality requirement)?

For a project to be declared an eligible project, the project activities must not be required to be carried out by law. This includes requirements of local development approvals and planning regulations, which are a requirement of state and territory law.

² <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/Eligibility-additionality-and-newness>

What start date do you wish to nominate for your project?

The start date of a project refers to the date the project crediting period will begin. It does not refer to the date the activities take place. For some projects, you may choose a date a few months after the activities have taken place when the project is fully operational and is generating abatement.

The start date for an Industrial Electricity and Fuel Efficiency project may be on or anytime within 18 months after the date the project is declared eligible by the Clean Energy Regulator. Section 30 of the method also requires that the abatement from a site can only be credited if the project activity has been completed. You should ensure that the project start date is after the project activity has been undertaken so that you can maximise the abatement you can be credited for. When selecting this date be aware that legislatively the Clean Energy Regulator has 90 days to assess projects.

If you do not nominate a start date, the start date for your crediting period will be the day the project is declared eligible.

Does the project require any regulatory approvals?

You must declare any regulatory approvals that will be required to undertake the project activities. For example, commissioning a power station may require state government development and operational approvals, or upgrading a water cooled chiller may require cooling tower regulatory approvals.

If you have not yet identified all of the sites for the project (and therefore cannot confirm if regulatory approvals will be required for your project activities at all the sites in the project), answer this question 'yes' and when asked for details please note that you will be required to obtain all regulatory approvals for the locations once they are identified.

Have all relevant regulatory approvals been obtained for the project?

You do not need to have obtained all regulatory approvals when you apply, however to be eligible for Australian carbon credit units (ACCUs) your project must have received all the required regulatory approvals by the end of the first reporting period.

If you have received regulatory approvals for the project you should include them in your application. If regulatory approvals have been received and a copy has not been provided to the Clean Energy Regulator, this may result in a delay in declaring the project eligible.

Eligibility details

Where is the physical location of the project or how will the project boundary be defined?

The rule requires that information identifying all locations of the project activities must be identified. If the boundary of the project cannot be identified by the location, details of how the boundary of the project will be defined and a description of that boundary must be provided.

Different information is required for identified sites than for aggregated projects where all the sites in the project may not yet have been identified. Note that at least one site must be identified to meet the legal right requirements.

Minimum of one identified site requirement

To meet the requirements of the assessment process you will be required to demonstrate that you have the legal right to carry out the project for (at least) one building/address/location. Therefore you must provide at least one address/location in your response to this question.

Identified sites

If the site(s) of the project is known provide the location. This could be a street address or a latitude and longitude of the location.

If you are aware that there may be more Emissions Reduction Fund projects that are taking place at that site, or activities supported by other government programs, you should either specify the exact location of your project, or alert the Clean Energy Regulator of these activities so that they can be separated from the project (see section 15A of the *Carbon Credits (Carbon Farming Initiative) Act 2011* – No double counting test).

If there are multiple locations involved in the project, provide the addresses in a structured format, either in the [address reporting template](#)³ provided on the [Clean Energy Regulator website](#)⁴ or consistent with AS4590 or the [Australia Post address presentation standards](#)⁵, available at [Australia Post website](#)⁶.

Sites not yet identified

If you are applying and have not yet identified all of the sites to be included in the project, then you must include the following information to answer this question:

- All the states or territories where the project is intended to be carried out
- The type of site(s) where the project is intended to be carried out. Example of type of sites might be supermarkets, mining sites or warehouses.
- The method of recruitment that you will use to recruit additional sites. Examples of recruitment methods that you may wish to use are listed below:

³ <http://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Address-reporting-template.aspx>

⁴ <http://www.cleanenergyregulator.gov.au/>

⁵ <http://auspost.com.au/media/documents/australia-post-addressing-standards-1999.pdf>

⁶ <http://auspost.com.au/>

- » Selecting sample from locations owned by participant
- » Selecting sample from locations managed by participant
- » Franchise offering to participating franchisees
- » Existing clients
- » Sales leads
- » Direct Business to business marketing

If you are utilising a recruitment method that differs from the examples listed above provide more information about the method you will use to allow the assessor to understand how you will recruit sites into the project.

You are not required to provide the sector that the activity is being undertaken in (e.g. manufacturing), however, you should note that certain activities are excluded from the method, as detailed in Part 2 section 11(3) of the method.

Facilities covered by the National Greenhouse and Energy Reporting (NGER) Act 2007

There are additional consent requirements for projects carried out at an NGER facility where the amount of reported scope 1 emissions of one or more greenhouse gases from the operation of the facility is likely to be more than 100,000 tonnes of carbon dioxide equivalent for one or more years in the crediting period for the project. In these cases, Section 20 of the Carbon Credits (Carbon Farming Initiative) Rule 2015 requires that you must demonstrate that you have operational control of the facility or the consent to carry out the project from the person who has. If there is more than one participant then the requirement applies to all participants. Note that the person who has operational control of the facility may not necessarily be the one who can grant the legal right to carry out the project. Please also provide the location of the related NGER facility.

To assist the assessment of your application you must indicate whether your site is a relevant NGER facility, and provide supporting documentation to show that the person who has operational control of the facility has provided consent for the project to take place.

Describe the project and activities

You must provide the project activity details required by the 'Information to be included in application for declaration' section of the method. Different information is required for identified sites than for aggregated projects where all the sites in the project may not yet have been identified.

In your response you should provide a detailed description of what the project will entail, and how the project meets the eligibility requirements of Parts 2 and 3 of the method.

The following information must be included in your application:

- You must clearly identify the energy-consuming equipment that is the subject of the emissions savings activities and any associated equipment that will have an impact on the energy consumption. If the details of the equipment are not known then you can provide information on the type or class of the equipment. For example, if you intend to carry out a project replacing inefficient pumps, but you do not know the exact location and sizes of pumps that will be installed, you should include information that you will be undertaking pump replacements and that the exact sizes will be determined at a later stage. If you are undertaking an aggregation project you should provide a list of all the equipment types that will be included in the project. Clearly identify the equipment that is the subject of the project.

If you are conducting a project that involves electricity generation equipment ensure that you are familiar with the requirements of Part 2 section 11(3) of the method. Provide the total installed electricity generation capacity on site and indicate whether or not the site is connected to an electricity grid.

- You must list the activities that will be undertaken by the project. Section 11 of the method provides a list of activities that can be included in an industrial electricity and fuel efficiency project. To describe the class of activities being undertaken you must refer to section 11(2)(a)-(f). If the activity cannot be described by section 11(2) of the method then it may not be eligible. If you are undertaking an aggregation project you must list all the activities that you are likely to include in the project. If you do not declare a type of activity you may be unable to claim credits for the unidentified activity.
- If you are conducting a fuel switching project, you should clearly identify the current fuel source and the intended fuel source. For example, changing boiler fuel source from coal briquettes to natural gas.
- If the energy-consuming equipment uses, or will be using biomass as a fuel source, you must provide a declaration that the biomass used will comply with the definition of an eligible renewable energy source as defined in the *Renewable Energy (Electricity) Act 2000*.
- The *Carbon Credits (Carbon Farming Initiative) Rule 2015* requires that the sub-method you intend to use to calculate carbon abatement from your project must be provided at the time of application. Part 4 of the method outlines the calculations for each sub-method. It is recommended that you review this section in detail and if unsure, seek professional advice on which sub-method best suits the circumstances of your project.
- You must provide a description of how the project, if implemented in accordance with the *Carbon Credits (Carbon Farming Initiative) Act 2011* and the method, could reasonably be expected to result in carbon abatement. If you have conducted a feasibility study, commissioned a third party report or have supporting calculations of the carbon abatement potential of the project, it may be beneficial to include this information as part of your project application.
- Optional information that can be included in this section includes independent variables, site constants and interactive effects of the project. Even if this information is not provided at application, it is highly recommended that you consider all aspects of the method before submitting an application to register a project.

Describe the skill and expertise of any person intended to be used in carrying out the project consistently with the relevant method

Having people involved in your project who can comply with the rules and requirements of the method for calculations, monitoring, record keeping and reporting is critical to the success of your project as you cannot claim ACCUs unless you comply with these requirements. In your response to this question (to Part B question 3) the Clean Energy Regulator is looking for evidence that you have considered these requirements of the method and why the party undertaking these activities is qualified to do so.

For example, to determine that the project activities can deliver abatement the project may require someone with professional qualifications in measurement and verification techniques to be involved in the design and/or implementation of the project. Some examples of other relevant qualifications may include:

- Accredited engineers
- National Greenhouse and Energy Reporting (NGERs) auditors
- Qualified auditors from relevant state schemes
- Certified energy efficiency specialist (CEES) or certified energy efficiency leader (CEEL)
- Certified international performance measurement and verification protocol (IPMVP or CMVP) assessors.

Where available, you can provide any supporting documents or materials such as third party audits. Third party audits and third party technical assessments will provide additional assurance regarding the background and qualification of those involved.

Do you have the legal right to carry out the project?

You must read the information on legal right available on the [Legal right](#)⁷ page on the Clean Energy Regulator website and consider seeking professional legal advice before signing this form to ensure you have the legal right to carry out the project as required by the *Carbon Credits (Carbon Farming Initiative) Act 2011*. Your response to this question should demonstrate that you have read and considered the issues identified in this advice.

You must provide evidence of your legal right to carry out the project at all sites listed on your application at the time of applying for registration. It is important to note however that approval of the project by the Clean Energy Regulator does not establish legal right. You are required to keep records of any agreements with stakeholders. Legal right for all sites, activities and equipment in the project, including those added after registration, will be checked during audits.

It is suggested that you review lease documents and service schedules relating to any tenancies. This may assist in identifying potential stakeholders from whom consent or a legal declaration may be required. Identify in your response that you have done this.

It is also suggested that you identify the project site with sufficient clarity and certainty that any future lessees of the area can be clearly identified.

You should ask any potential stakeholders whether there is already an emissions reduction project (Emissions Reduction Fund or state based) occurring on the project site and ask to be notified about any future projects persons may wish to undertake.

Retain records as they will be relevant for audit purposes. All records that are created are required to be retained for a period of 7 years from when they are made and all offsets reports must be retained for 7 years from when they are given to the Clean Energy Regulator.

⁷ <http://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund/Planning-a-project/Legal-right>