

## How to earn carbon credits by treating animal effluent in piggeries — A scenario

The [animal effluent method](#)<sup>1</sup> provides new opportunities for piggeries and dairies to earn Australian carbon credit units (carbon credits), diversify their revenue sources and cut business costs by managing organic effluent to reduce or avoid emissions.

Let's take a look at how Farmer Trent went about saving money at his piggery.

### Farmer Trent's 2,000 sows

Trent runs a medium sized piggery. He wants to improve the treatment of the piggery's effluent and earn some extra revenue in the process. He learns you can earn carbon credits by running a [Climate Solutions Fund \(CSF\)](#)<sup>2</sup> project using the animal effluent method.

#### Planning the project

Trent researches the method and the CSF to understand the benefits and obligations. He finds there are already many piggeries running similar projects and decides his farm is suitable. He reads the method and discovers two main ways to reduce emissions and manage effluent under the scheme:

- **Installing an above ground mixed tank digester** – These are scalable, modular installations consisting of one or more tanks that treat the effluent, collect methane and move it on to be flared or used for electricity or heat production.
- **Covered anaerobic digester lagoon** – This is a lagoon fitted with an impermeable cover that collects the biogas under the cover and pumps it to be flared or used for electricity or heat production.

Trent decides he will engage an expert consultant to review the costs and benefits of a project. This can help to ensure that the project is economically viable and will fit his business needs. After some further research and talking with various industry people, Trent decides capturing the methane and generating electricity from it is the most prospective option for his piggery. He also seeks out low-cost financing to support his investment.

#### Registering the project

Trent discusses his plans with the Clean Energy Regulator and makes sure that he understands all his obligations under the scheme. He learns he cannot start the project until after it is registered. He submits a registration application to the Clean Energy Regulator — Success! The project is now registered.

#### Undertaking the project

Trent arranges for the anaerobic digester and electricity generator to be built and operated. The biogas flow is measured and monitored. This is done to ensure the tank is operating correctly and to optimise the equipment. The biogas is flared and once stable is sent to the electricity generator.

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<sup>1</sup> <http://www.cleanenergyregulator.gov.au/csf/how-it-works/explore-project-types/Pages/animal-effluent-management-projects.aspx>

<sup>2</sup> <https://www.csf.gov.au/>

## Reporting and auditing

Trent is confident his effluent treatment process has improved after a year of operation. Trent works with a consultant to calculate how much eligible abatement the project has created. Trent asks his auditor to check calculations and assess the project. He then sends all this information to the Regulator in an offsets report, which sets out how many carbon credits he has earned.

## Creating and selling carbon credits

Once the Regulator has assessed the report, Trent is issued with carbon credits. He discovers he can sell the carbon credits to the Australian Government at an auction or to the private sector. He bids at an auction and wins a contract. He then delivers the carbon credits to the Regulator who pays him for the carbon credits.

## Contact the Clean Energy Regulator to learn more

Contact the Clean Energy Regulator to find out more about the animal effluent method and participating in the Climate Solutions Fund at 1300 553 542, [enquiries@cleanenergyregulator.gov.au](mailto:enquiries@cleanenergyregulator.gov.au) or [www.csf.gov.au](http://www.csf.gov.au).