



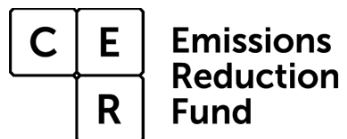
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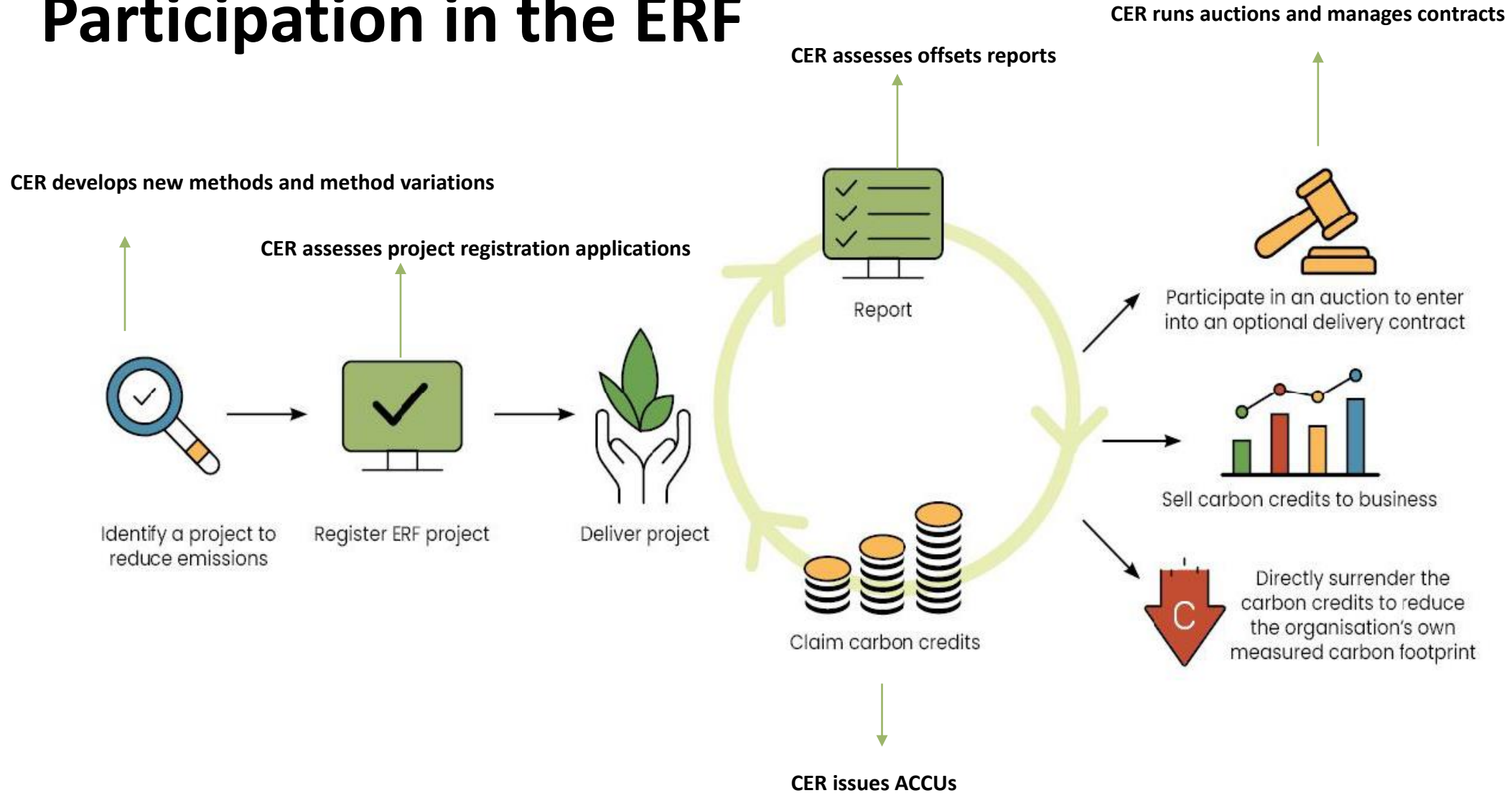
# The 2022 plantation forestry method

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# Participation in the ERF



# Plantation forestry projects under the ERF

Method	Projects registered	ACCUs issued (as of 9/10/2022)
<b>Plantation Forestry 2022</b>	<b>10</b>	<b>0</b>
New plantation	9	0
Short to long conversion	1	0
<b>Plantation Forestry 2017</b>	<b>38</b>	<b>147,119</b>
New plantation	12	0
Short to long conversion	24	147,119
Hybrid	2	0
<b>New Farm Forestry 2014 (plantation)</b>	<b>2</b>	<b>0</b>
<b>Total</b>	<b>50</b>	<b>147,119</b>

# The 2022 plantation forestry method

The method credits additional carbon stored in plantation forests through four activities:

Schedule	Project Activity	Activity type
Schedule 1	Establishing a new plantation	Retained from the 2017 method with some updates to support uptake while maintaining the integrity of the ERF
Schedule 2	Converting an existing plantation from a short to a long rotation	
Schedule 3	Continuing plantation forestry activities	New avoided conversion activities*
Schedule 4	Transition to a permanent (not-for-harvest) forest	

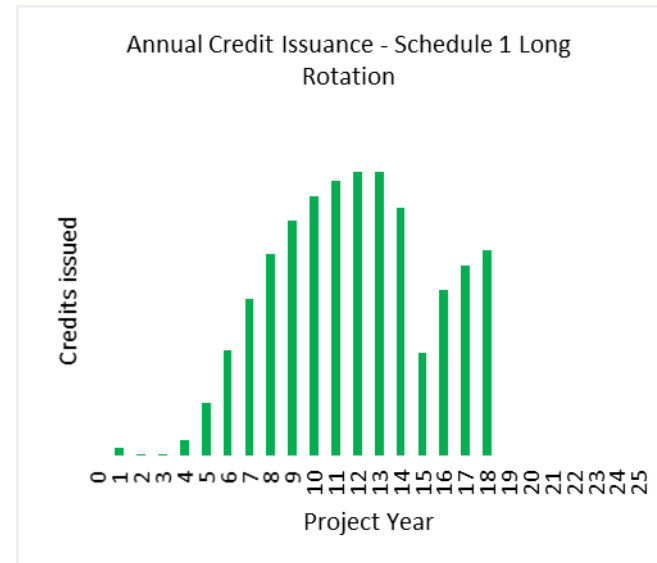
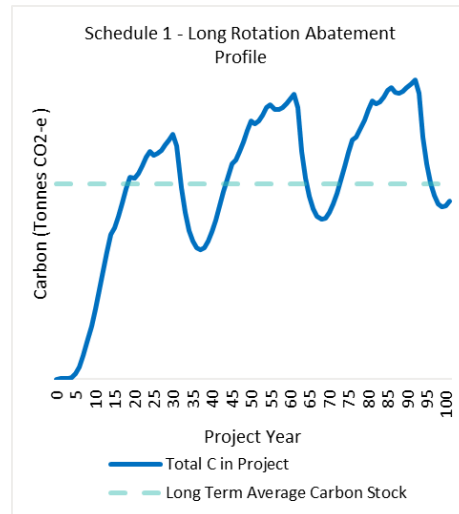
\*Avoided conversion activities are applicable in situations where an existing plantation would convert to non-forested land under BAU



# New plantation activity (Schedule 1)

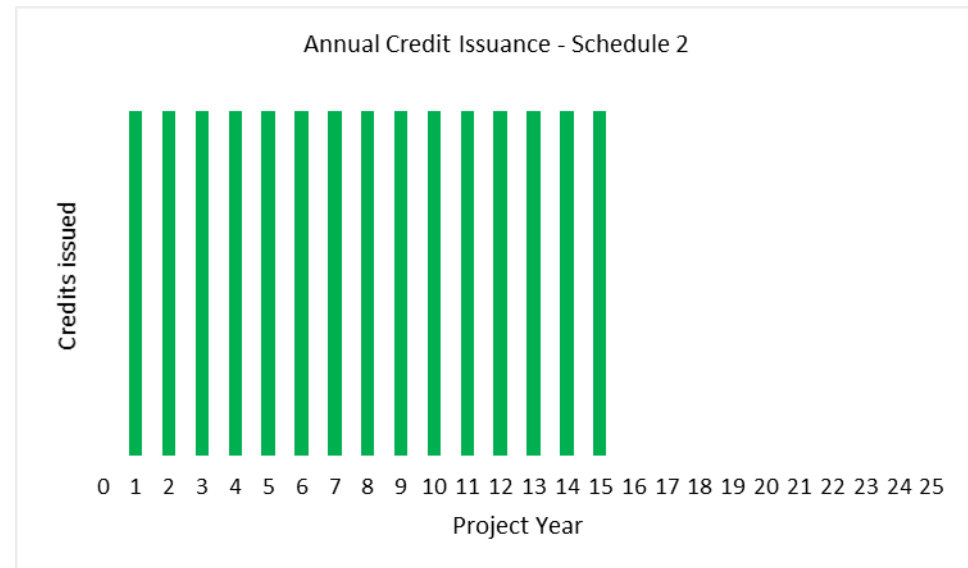
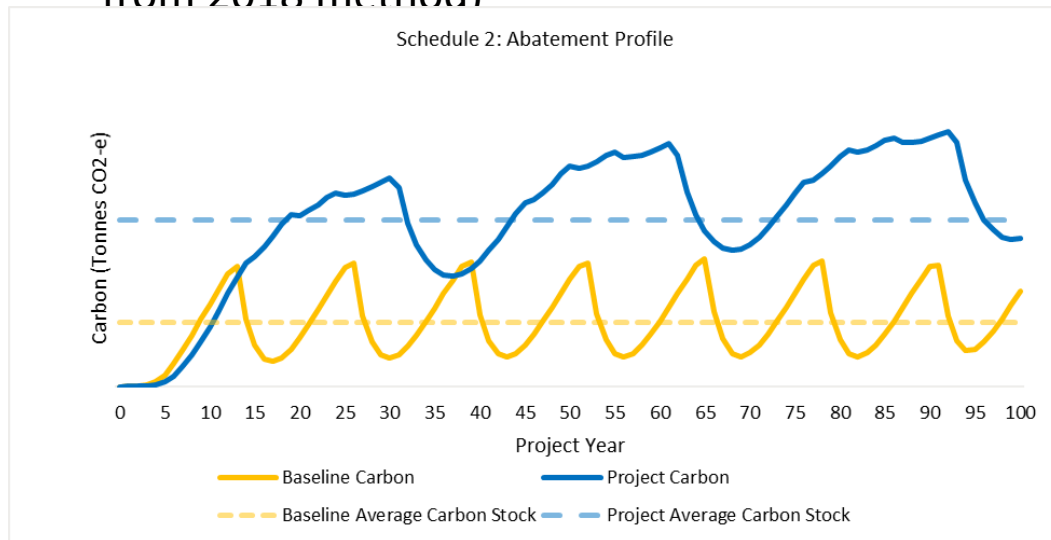
- Applicable where there has been no forest in the past 7 years
- Additionality: Plantation estate has been declining since 2006–07 in response to changing economic conditions, and there has been minimal new establishment since 2012.

- Crediting:



## Converting an existing plantation from a short rotation to a long rotation (Schedule 2)

- Applicable to existing plantations managed as a short-rotation.
- Additionality requires evidence of a change in management from short-rotation to long-rotation. Evidence includes:
  - Species that can be presumed to have a short rotation
  - Species that can be presumed to have a long rotation
  - For other species, additional evidence is required of intent to manage as either a long or short rotation (reworked from 2018 method)



# Schedules 3 & 4

- Applicable where plantations are underway prior to ERF participation
- Additionality requires evidence that the existing plantation would convert to non-forested land under BAU

# Schedule 3 and 4: Additionality tests to demonstrate that plantation would convert to non-forested land

Requirement	Purpose
Independent financial assessment (e.g. by an RFP with experience in financial assessments or financial reporting)	Demonstrates that the plantation has a financial incentive to convert to non-forested land
Evidence of BAU scenario including independent land valuation	Demonstrates the existence a feasible and financially attractive alternative land use
Provision of a transformation statement by the CEO/CFO of the project proponent to state that the land would have converted to non-forested land within 24 months under BAU	Demonstrates that there aren't other incentives that would cause an uneconomic plantation to continue
For continuing plantation projects – the plantation must be within 2 years of the age at which plantations of the same species are usually harvested in that region.	Intended to prevent premature harvesting (and a carbon loss) to register a project



# Independent financial assessment must demonstrate:

1. Returns from alternative land use **significantly greater than** continued plantation forestry
- and**
2. Returns from ERF project **greater than** minimum economic viability threshold

# Additional discounts apply to certain projects

Permanence period	Relevant schedule	Permanence discount	Total discount, including 5% risk of reversal buffer
25 years	All projects, unless specified below	20%	25%
25 years	Short rotation plantations under Schedule 1, or short or long rotation plantations under Schedule 3	25%	30%
25 years	Permanent non-environmental plantings under Schedule 4	20% + additional discount of 25% if plantings are commercial harvest species	25% + if plantings are commercial harvest species
100 years	All schedules	Nil	5%

# Requirements for independent financial assessment

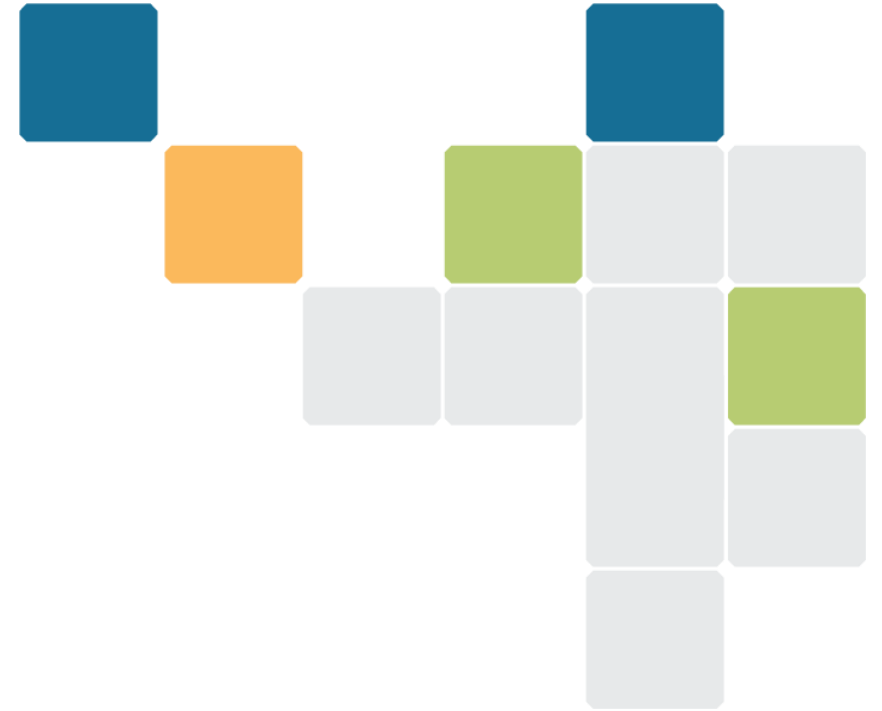
- Where possible, audited financial company records should be used
- Alternatively, inputs should use the data sources specified by the CER
- The assessment should be based on the current or most recent plantation forestry regime (species & rotation length)
- All inputs, data sources and calculations must be provided to the CER

# New farm forestry method

- Allows either permanent plantings or farm forestry
- Uses direct measurement instead of FullCAM to calculate abatement
- Farm forestry plantations are only allowed in up to 30% of a farm (or below 100ha in >400mm zone, or 300ha in <400mm zone)
- Farm forestry activities can also be undertaken under the 2022 plantation forestry method which does not set any constraints on size
- The new integrated farm management method is proposed to include permanent plantings in Phase 1 and farm forestry in Phase 2.

# Consultation on the water rule

- New plantation forestry and farm forestry projects in high rainfall need to meet water interception conditions (the water rule) before they can participate in the Emissions Reduction Fund.
  - Consultation is open until 15 November 2022 on removing this rule.



## Contact

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