

Generating ACCUs from waste management activities

FACTSHEET

Australian Carbon Credit Units (ACCUs) offer councils and businesses operating waste management facilities an opportunity to earn credits by reducing greenhouse gas emissions through innovative waste management practices.

These activities, approved under the Emissions Reduction Fund (ERF), include landfill gas capture and the diversion of organics from landfills.

This fact sheet outlines how to generate ACCUs through landfill gas capture, waste diversion, and electricity generation, with guidance on project registration and strategies to maximise financial returns.

Overview of the ACCU scheme

The ACCU scheme incentivises emissions reduction projects in Australia by offering tradeable ACCUs.

Eligible activities and accounting methods been approved under the Emissions Reduction Fund (ERF), including methods for assessing landfill gas capture and the diversion of organics from landfills.

Key Principles

Additionality

Projects must go beyond standard practices. In some cases, default benchmarks for best practice are used to determine whether a project exceeds business-as-usual scenarios.

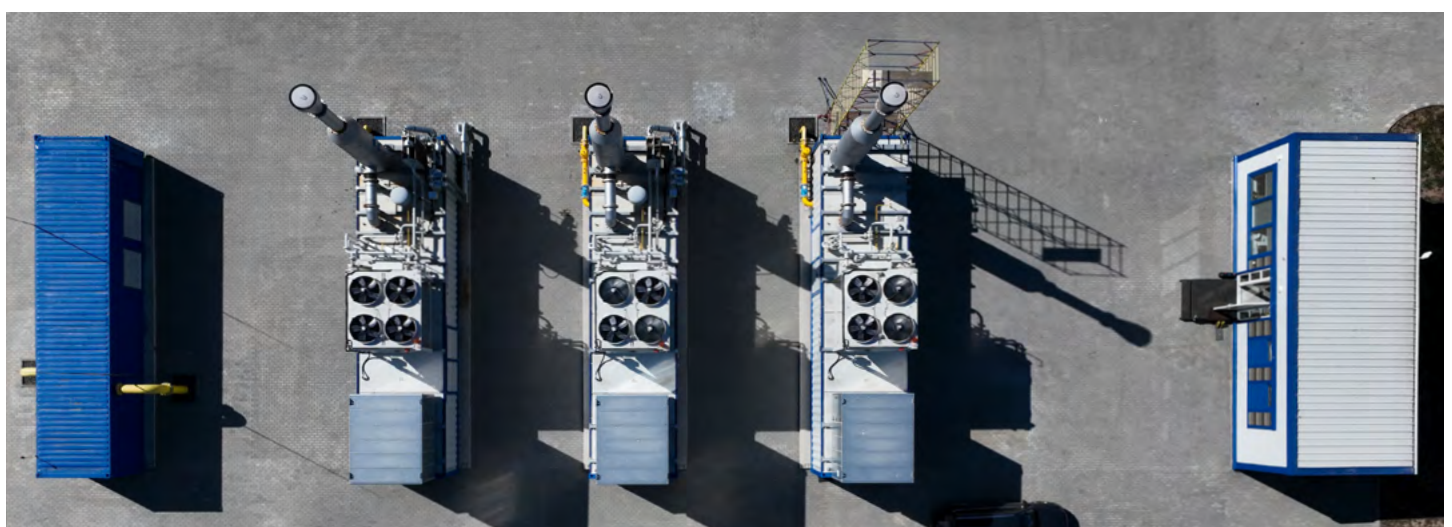
Measurement and Reporting

Projects must regularly report emissions reductions to the Clean Energy Regulator (CER) to receive ACCUs. One ACCU represents 1 tonne of CO₂-equivalent emissions avoided.

Landfill gas (generation) method

This method promotes using captured landfill gas to generate electricity or upgrade it into biomethane. By converting methane into electricity or producing biomethane for the gas grid, councils and operators can earn both ACCUs and renewable energy credits.

Eligible Activities	Key Considerations	LGC Potential
<p>Use a combustion engine to generate electricity from landfill gas.</p> <p>Upgrade methane to biomethane for injection into the gas grid.</p>	<p>Energy recovery systems: The conversion system must comply with CER's standards for energy efficiency and emissions reductions.</p> <p>Long-term viability: Biomethane production can offer more stable returns, especially in regions where gas grid injection is feasible.</p>	<p>Electricity generated from landfill gas can earn LGCs under the RET scheme, boosting the financial viability of these projects.</p>



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Alternative waste treatment method

This method focuses on recycling waste using eligible waste treatment technologies, reducing the volume of waste sent to landfills and lowering associated emissions. By employing various technologies, waste can be repurposed, recovering materials and energy in the process.

Eligible Activities	Key Considerations	LGC Potential
<p>Diverting waste through mechanical, biological, or thermal treatment systems.</p> <p>Implementing advanced processing technologies such as material recovery facilities (MRFs), anaerobic digestion, or gasification.</p>	<p>Technology selection: The chosen technology must be recognised under the ERF as eligible for waste diversion and emissions reduction.</p> <p>Monitoring: Emissions reductions from waste treatment activities must be reported and verified by the Clean Energy Regulator (CER).</p>	<p>If energy generation is a part of the waste treatment process (e.g., converting waste to bioenergy), projects may also be eligible for LGCs under the RET, which incentivises renewable energy production until 2030.</p>

Source separated organic waste method

By separating organic waste at the source—such as food scraps and garden waste—this method helps prevent methane emissions from landfills. The separated organic material is processed via composting or anaerobic digestion, significantly reducing greenhouse gas emissions.

Eligible Activities	Key Considerations	LGC Potential
<p>Implementing or expanding Food Organics and Garden Organics (FOGO) programs.</p> <p>Processing organic waste through composting or anaerobic digestion facilities.</p>	<p>Waste types: Includes a variety of organic materials such as food, garden, textile, and wood waste, all separated at the source.</p> <p>Treatment technologies: Composting, anaerobic digestion, and engineered fuel manufacturing qualify for generating ACCUs.</p>	<p>Anaerobic digestion systems that produce biogas from organic waste may also qualify for LGCs if the biogas is used to generate electricity.</p>

Monetising ACCUs

Once ACCUs are issued, councils can:

- **Sell at auction:** Through CER's reverse auctions for price certainty.
- **Sell on the secondary market:** Prices can fluctuate, often ranging between \$17 and \$39 per ACCU.
- **Bank or retire:** ACCUs can be stored for future use or retired to meet emissions targets.

Councils should consider market conditions and contract terms when selling ACCUs and may engage brokers to assist with sales.

Maximising ACCU generation

To maximise ACCU generation, councils could consider the following options:

- **Combine activities:** Implement both landfill gas capture and organic waste diversion to cover multiple emission sources.
- **Invest in technology:** Upgrading gas capture systems and generating and recovering energy from biogas can increase ACCU generation.
- **Engage the community:** Strong participation in organics diversion programs can help drive success.

Waste management activities offer councils an opportunity to reduce emissions while earning ACCUs under the ERF. By capturing landfill gas and diverting organic waste, councils can align with State and Commonwealth Government policies, reduce future carbon liability costs, and monetise their efforts through ACCU trading.