



FACT SHEET

ADDING ELIGIBLE FORESTS TO EXISTING CARBON SEQUESTRATION POOL

How to expand an existing Carbon Sequestration Pool?

There are two methods by which an accredited Sequestration Pool Manager may expand the size of their accredited Carbon Sequestration Pool:

1. expansion of the volume of carbon sequestered within the Eligible Forests; or
2. expansion of the geographical area of the Carbon Sequestration Pool by the acquisition of additional Eligible Forest or additional Carbon Sequestration Rights from Eligible Land.

Where an accredited Sequestration Pool Manager expands their accredited Carbon Sequestration Pool through the acquisition of additional Eligible Forests, the General Accreditation Conditions set out the procedures to be followed.

Note: Land acquisition may involve acquisition of Carbon Sequestration Rights on the land titles rather than actual land purchases.

Requirements under the General Accreditation Conditions

To add additional Eligible Forest to an existing Carbon Sequestration Pool, the Sequestration Pool Manager must request an amendment to their Accreditation.

In requesting the amendment, the Sequestration Pool Manager must supply the Scheme Administrator with:

- a Restriction On Use (in executable form) for each parcel of Eligible Land on which the Eligible Forest has been established;
- the details of the additional Eligible Forest established on Eligible Land and should include evidence of:
 - the ownership of Carbon Sequestration Rights on the Eligible Land (generally in the form of copies of the Certificate(s) of Title (“CT(s)”) covering the Eligible Land, and evidence that the submitted CT(s) are in respect of the proposed additional forest (typically the Deposited Plans for the CT(s) covering the Eligible Land);
 - the control of the Carbon Sequestration Rights (where the Sequestration Pool Manager is not the owner of the Rights);
 - the non-forested status of the Eligible Land as at 31 December 1989 (typically aerial photography or landsat images) together with evidence of subsequent establishment of Eligible Forest – refer to Part 2c of the *Guide to Applying – Carbon Sequestration Rule* for further details;
 - the age class, species and spatial characteristics of the Eligible Forest.

The Sequestration Pool Manager must satisfy the Scheme Administrator that, in respect of the proposed additional Eligible Forest:

- the Approved Risk Management, Arrangements; Record Keeping Arrangements; Maintenance Compliance Reporting Arrangements, and NGAC Compliance Reporting Arrangements, together with the Approved Calculation

Method have been appropriately amended) (where necessary). Version controls are required on all these documents; and

- the Carbon Stock of the Carbon Sequestration Pool is sufficient to account for the Sequestration Pool Manager's existing Maintenance Obligation as well as any Maintenance Obligation that may arise from the proposed additional Eligible Forest.

Amending the Notice of Accreditation

Once satisfied that the proposed additional Forests are eligible, the Scheme Administrator amends the Annexures to the Notice of Accreditation for the Carbon Sequestration Pool to include the details of the new Eligible Forests. The Scheme Administrator also executes the Restriction of Use(s) and returns it to the Sequestration Pool Manager.

Creating NGACs from the Additional Eligible Forests

In order to create NGACs from the additional Eligible Forests, it is incumbent on the Sequestration Pool Manager to register the Restriction of Use with the Land and Property Information section of the Department of Lands. Evidence of the registration of the Restriction of Use (such as a copy of the new CT or Title Search with the Dealing Number of the Restriction of Use listed on the Title) must be provided to the Scheme Administrator before NGACs can be created.

Legal context for this fact sheet

The Scheme Administrator has prepared this Fact Sheet as a general summary of relevant parts of:

- **the Regulation:** *Electricity Supply (General) Regulation 2001* (as amended by the *Electricity Supply (General) Amendment (Greenhouse Gas Emission Reduction) Regulation 2002*; the *Electricity Supply (General) Amendment (Greenhouse Gas Abatement Certificate Scheme) Regulation 2003* and the *Electricity Supply (General) Amendment (Reduction of Greenhouse Gas Emissions) Regulation 2003*.
- **the Rules:** Greenhouse Gas Benchmark Rules issued through the Department of Water and Energy and approved by the Minister for Energy.

This Fact Sheet should not be relied upon as a substitute for legal advice, and is designed to be read in conjunction with the above source documents.