



**GUIDE TO APPLYING TO
BECOME AN ACCREDITED
ABATEMENT CERTIFICATE
PROVIDER
CARBON SEQUESTRATION**

Greenhouse Gas Benchmark Rule (Carbon Sequestration) No. 5 of 2003

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Glossary of Terms and Abbreviations

The following terms and abbreviations are used in the Guide:

Abatement Certificate Provider – A person accredited under the NSW Greenhouse Gas Reduction Scheme to create NGACs with respect to an accredited abatement activity.

Accreditation – Approval (and registration) by the Scheme Administrator of a person as an Abatement Certificate Provider.

ACP - An Abatement Certificate Provider under the NSW Greenhouse Gas Reduction Scheme. ACPs create NGACs in accordance with the GGAS Rules.

Act - The *Electricity Supply Act (NSW) 1995*.

Adjusted Carbon Stock Change – The estimated carbon stock change in an Eligible Forest (or Sequestration Pool) adjusted through the application of the 70% Rule

AGO - Australian Greenhouse Office (Australian Government Agency responsible for a variety of initiatives including GGAP funding, Greenhouse Friendly and the National Carbon Accounting Toolbox).

Australian Standard - The standard set out in the most recent published version of the *Interim Australian Standard AS4978.1(Int.) 2002 - Carbon Accounting for Greenhouse Sinks Part 1: Afforestation and Reforestation*, as amended or replaced from time to time.

Carbon Pool - A reservoir or system that has the ability to accumulate or release carbon and includes living trees (usually further separated for accounting purposes into stemwood, canopy and roots), litter, dead wood and soil.

Carbon Sequestration - The net removal of carbon dioxide from the atmosphere and storage of carbon within an Eligible Forest.

Carbon Sequestration Estimation Methodology – A carbon accounting methodology used to calculate the Sequestration Pool Manager's entitlement to create NGACs.

Carbon Sequestration Estimation Period - A period of time over which Carbon Sequestration, or Carbon Stock Change, within a Sequestration Pool (or a part of the pool, as the case may be) is to be estimated for the purpose of calculating an entitlement to create NGACs for a Crediting Period.

Carbon Sequestration Right - In respect of land within NSW, a carbon sequestration right within the meaning of section 87A of the (NSW) Conveyancing Act 1919. For land in any other jurisdiction, any other right that is substantially similar, or equivalent to, or has the same effect as, a carbon sequestration right as defined in section 87A of the (NSW) Conveyancing Act 1919.

Carbon Stock - The total amount (in tonnes) of carbon contained in a Sequestration Pool at a given time

CO₂e - Carbon Dioxide equivalent.

Crediting Period - Any period of up to 1 calendar year selected by an ACP and approved by the Scheme Administrator for the purposes of calculating NGACs.

CSEM - Carbon Sequestration Estimation Methodology.

CSEP - Carbon Sequestration Estimation Period.

CS Rule – The Carbon Sequestration Rule, formally titled *Greenhouse Gas Benchmark Rule (Carbon Sequestration) No.5 of 2003*, as amended on 3 October 2003.

Eligible Forest - A Forest planted on or after 1 January 1990 on Eligible Land.

Eligible Land - Kyoto-Consistent Land located in New South Wales that may be used for the purposes of growing planted forests capable of Carbon Sequestration under the CS Rule.

Forest – See section 2.3 of this Guide to Applying for a detailed definition.

GGAP – The Greenhouse Gas Abatement Program administered by the AGO.

GGAS – The NSW Greenhouse Gas Reduction Scheme.

NGACs - NSW Greenhouse Gas Abatement Certificates.

Kyoto-Consistent Land - Land that meets the definition of Article 3.3 of the Kyoto Protocol, which states that: “The net changes in greenhouse gas emissions by sources and removals by sinks resulting from direct human-induced land-use change and forestry activities, limited to afforestation, reforestation and deforestation since 1990, measured as verifiable changes in carbon stocks in each commitment period, shall be used to meet the commitments under this Article of each Party included in Annex I. The greenhouse gas emissions by sources and removals by sinks associated with those activities shall be reported in a transparent and verifiable manner and reviewed in accordance with Articles 7 and 8.”

Kyoto Protocol - The Kyoto Protocol to the United Nations Framework Convention on Climate Change, adopted 11 December 1997.

Maintenance obligation - The Sequestration Pool Manager’s obligation, in respect of each NGAC created, to ensure the continued storage (by means of Eligible Forest planted on Eligible Land) of the quantity of carbon stored by the carbon sequestration for which the NGAC has been created for a period of 100 years after the NGAC was created. This is also known as the “permanency requirement” or the “100 year rule”.

Regulations - The regulations made pursuant to Part 8A of the Act.

Restriction On Use – A “Restriction on the Use of Land by a Prescribed Authority” under section 88E of the Conveyancing Act 1919 (NSW) which is in favour of the Scheme Administrator, in a form acceptable to the Scheme Administrator, is duly registered against the title to that Eligible Land in accordance with the Conveyancing Act 1919 (NSW), and which includes as signatories to it: (1) the registered proprietor of each Carbon Sequestration Right registered against the title to that Eligible Land; (2) the registered proprietor of that Eligible Land; and (3) the holder of any other registered interest in that Eligible Land; and

Scheme Administrator - The Independent Pricing and Regulatory Tribunal of New South Wales, in its capacity as Scheme Administrator under Part 8A of the Act, or if it ceases to exist or is reconstituted, renamed or replaced or has its powers or functions removed, the agency or body which is appointed to perform or performs most closely its functions

Sequestration Pool - One or more Eligible Forests which are planted on Eligible Land on which Carbon Sequestration Rights are registered, and which are managed to provide carbon sequestration pursuant to those Carbon Sequestration Rights. The Eligible Forests, the Eligible Lands, and the Carbon Sequestration Rights over the Eligible Lands, may be owned or controlled by more than one entity.

Sequestration Pool Manager - A person who manages a Sequestration Pool, and exercises sufficient control over it to be able to enforce the Carbon Sequestration Rights registered on the Eligible Land on which the Eligible Forests in that pool are planted.

UNFCCC – The United Nations Framework Convention on Climate Change.

70% Rule – The adjustment to the estimate of carbon stock change to ensure that there is at least a 70% probability that the actual carbon stock change is equal to or exceeds the estimated Carbon Stock Change.

Introduction

1.1 Purpose of the Guide

This Guide has been developed to assist people applying to the Scheme Administrator of the NSW Greenhouse Gas Reduction Scheme (GGAS) for accreditation as an abatement certificate provider (ACP) under the *Greenhouse Gas Benchmark Rule (Carbon Sequestration) No.5 of 2003*, as amended on 3 October 2003.

The Guide provides detailed instructions and useful references to assist in completing the *Application Form – Carbon Sequestration* (the Application Form) and providing the relevant documents and attachments required for the assessment of your Sequestration Pool.

1.2 Using the Guide

Information found in 'Section 2: Completing the Application Form' relates to filling in the Application Form (comprised of Parts 1 to 5).

Guidance points are also provided throughout the Guide to assist applicants in interpreting the legislation, the GGAS Rules and the requirements of the Scheme Administrator. Please note that this Guide does not substitute for legal advice.

References in the Guide to "you" refer to the person completing the application form, whether this person is the applicant or the person authorised to complete the form on behalf of the applicant.

1.3 Related Documents

The NSW Greenhouse Gas Reduction Scheme (GGAS) is implemented through Part 8A of the *Electricity Supply Act 1995* (the Act). The Act outlines liability requirements for benchmark participants and establishes the classes of activities which are eligible for the creation of NSW Greenhouse Abatement Certificates (NGACs).

Part 8A and Part 8B of the *Electricity Supply (General) Regulation 2001* (the Regulation) provide further guidance on the implementation and operation of GGAS.

A series of Greenhouse Gas Benchmark Rules (GGAS Rules) support the legislation and detail how the accredited abatement certificate providers can calculate abatement certificates. Applicants seeking to become accredited to create NGACs for Carbon Sequestration activities should refer to *Greenhouse Gas Benchmark Rule (Carbon Sequestration) No.5 of 2003*, as amended on 3 October 2003 (the CS Rule).

These documents can be downloaded from the GGAS website www.greenhousegas.nsw.gov.au

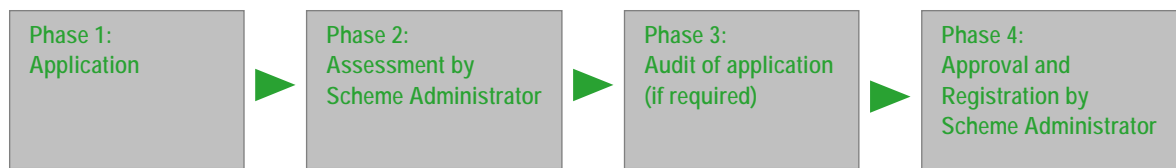
Applicants should also consider other key documents in developing their Sequestration Pool and preparing the required documentation and attachments for submission of their application for accreditation under GGAS.

- *GGAS Framework for Carbon Sequestration*. This document provides an overview of the framework that has been established by the GGAS Scheme Administrator to facilitate the accreditation, expansion and ongoing management of Sequestration Pools by Abatement Certificate Providers. This document is available from the GGAS website.
- *Interim Australian Standard AS 4978.1(Int) – 2002 Carbon Accounting for Greenhouse Sinks: Part 1 – Afforestation and Reforestation (the Standard)*. The Rule refers to the Standard with respect to detailed requirements for NGAC calculation methodologies and uncertainty analysis. The Standard is available from SAI Global, the distributors of Australian Standards (www.standards.com.au).
- *Guide to Record Keeping for Abatement Certificate Providers*. This document has been prepared by the Scheme Administrator to assist applicants to develop appropriate record keeping arrangements and to provide a general outline of the Scheme Administrator's requirements with respect to record keeping. This document is available from the GGAS website.
- *Accreditation Documents and Conditions*. This series of documents are used by the Scheme Administrator to impose obligations and requirements on Abatement Certificate Providers when they are accredited under the Carbon Sequestration Rule. They are available from the Carbon Sequestration section of the GGAS website and include: *Accreditation Notice*, *General Accreditation Conditions*, and the *Restriction On Use*.
- *Planning Forest Sink Projects: A Guide to Carbon Pooling and Investment Structures*. This document has been published by the Australian Greenhouse Office "to provide forest managers, catchment managers and other interested parties with a general introduction to carbon pooling including a general overview of structural and tax issues which those wishing to establish or take part in carbon pooling will need to consider".
- *Planning Forest Sink Projects: A Guide to Legal, Taxation and Contractual Issues*. This document has been published by the Australian Greenhouse Office "to provide forest managers, catchment managers and other interested parties with a general introduction to legal issues associated with carbon sequestration rights projects".
- *Planning Forest Sink Projects: A Guide to Forest Sink Planning, Management and Accounting*. This document has been published by the Australian Greenhouse Office "to provide further information on international rules and definitions, and Australia's approach to accounting for forest sinks".

1.4 Accreditation Process

Figure 1 below shows an overview of the process of becoming an accredited Abatement Certificate Provider (ACP) under GGAS. More detailed process maps identifying each of the phases outlined below are provided in Appendix 1 of this Guide.

To become an accredited ACP, the accreditation process shown in Figure 1 must be completed.

Figure 1: Accreditation Process**Phase 1: Application**

When applying for accreditation you must ensure that you have completed all relevant forms and attached all supporting documents. A complete application will be one that provides all information specified in this Guide. Incomplete applications will not be assessed by the Scheme Administrator and may delay your application, or result in a rejection of the application.

Every application must be accompanied by the application fee of \$500 (GST exempt). This fee may be paid either by cheque or EFT:

- Cheque payments should be made out to the Independent Pricing and Regulatory Tribunal of NSW. The cheque should be attached to your application.
- EFT payments should be made to:

Bank:	Westpac Banking Corporation
BSB:	032 001
Account No:	205717
Account Name:	IPART

Note: If paying by EFT please ensure that you attach a copy of your remittance advice to your application.

Phase 2: Assessment by Scheme Administrator

The Scheme Administrator will initially review the application for completeness of information and documentation requested in the Application Form. Depending on the application's level of completeness, the Scheme Administrator can either reject the application, or proceed further with assessing the adequacy of the information provided.

Depending on the adequacy of information provided in the application, the Scheme Administrator will then determine whether the Sequestration Pool is eligible under the CS Rule. If the adequacy of information is insufficient to make this determination, the Scheme Administrator can investigate further by requesting more information.

Note: The applicant may be required to pay the costs of the Scheme Administrator in respect of further investigating an application for accreditation, in addition to the application fee and any subsequent audit costs. However, an applicant may withdraw its application prior to any investigation being undertaken.

If a Sequestration Pool is determined to be eligible under the CS Rule it will then proceed to Phase 3, whereby an audit of the application may be undertaken (where necessary).

Phase 3: Audit if Required

An audit of specific aspects of the application may be required prior to accreditation. This type of audit is known as a “pre-accreditation audit” under GGAS (known as a “validation” under similar emissions trading schemes).

Prior to conducting any audit you will be advised of the related scope of work required, the auditor selected for the work and the anticipated costs. Although the Scheme Administrator appoints the auditor, you will bear the costs of the audit and these must be paid prior to the audit being undertaken. An applicant may withdraw its application prior to an audit being undertaken.

Any audit will be undertaken in accordance with the audit scope determined by the Scheme Administrator. A generic audit scope for Sequestration Pools is available on the GGAS website. The actual audit scope used may also include additional scopes items specific to the characteristics of the Sequestration Pool and the information provided in the Application Form.

You must facilitate the efficient and effective performance of such audit activity. Investigations or audits may review, among other things:

- the applicant's eligibility for accreditation
- the adequacy and appropriateness of record keeping arrangements, and
- the appropriateness of inputs, assumptions, models and calculation methods.

The auditor will be engaged by the Scheme Administrator from the GGAS Audit and Technical Services Panel (an up to date list of approved auditors is available from the GGAS website).

Phase 4: Approval and Registration

Based upon its assessment of the application and the results of any investigation and/or audit, the Scheme Administrator will determine if the applicant should be accredited.

If successful, you will be notified by the Scheme Administrator advising you of your conditions of accreditation and you will be listed on the GGAS Registry as an accredited ACP. Unsuccessful applicants will be informed in writing of the reasons for refusal of their application.

Ongoing Compliance, Risk and Flexibility

A risk-based approach is used by the Scheme Administrator to determine the scope of ongoing audits of abatement activity, the frequency of audits, and whether these should be conducted before or after the registration of abatement certificates. The initial risk ranking for each ACP is determined at the point of accreditation as an ACP. However, an ACP's risk rating and hence audit requirements may be varied through time to reflect changes in the risk profile of the abatement activity and the results of audits undertaken. Risk ranking will be determined based upon such factors as the complexity of the abatement activity, the estimated number of certificates to be created and the applicant's compliance history (if any) as an ACP.

Please refer to the *Compliance and Performance Monitoring Strategy* (available from the GGAS website) for further detail on these issues.

Completing the Application Form

The following part of this Guide to Applying provides step-by-step instructions for completing each section of the Application Form.

Please answer the questions directly in the spaces provided in the Application Form by inserting text into the electronic version of the document which is available from the GGAS website. It is anticipated that you will provide clear and concise information in the spaces provided in the Application Form while attaching a variety of supporting documents in both paper and electronic form.

The following sections of this Guide explain the questions in the Application Form as well as specifying the supporting information that is required to be submitted as part of the application for accreditation.

Note: You will need to provide certain stand-alone documents as part of your application. These documents serve to communicate the systems and procedures that have been developed and implemented by the Sequestration Pool Manager to underpin the management, operation and ongoing compliance of the Sequestration Pool. The documents include *Risk Management Arrangements*, *Record Keeping Arrangements*, *Calculation Method*, *Maintenance Compliance Reporting Arrangements*, and *NGAC Compliance Reporting Arrangements*. The requirements for each are described in the following sections of this Guide. Each of these documents must have a distinct title, author and release date as well as version control tables to enable explicit approvals by the Scheme Administrator and subsequent updates to approvals over time.

Note: The Scheme Administrator undertakes an assessment of your eligibility for accreditation based solely on the information you provide. If there are questions in the Application Form that you cannot answer or if there are deficiencies in the supporting information that you provide, the Scheme Administrator will need to request further information from you, potentially slowing down the accreditation process. This component of the accreditation process is illustrated in the process maps included in Appendix 1 of the Guide.

Note: Whenever you provide additional information to the Scheme Administrator during the accreditation process, that information is considered to be a submission with respect to your application (unless it is clearly stated that it should be considered separately).

2.1 Cover Page

The Application Form's cover page has two fields which you are required to complete. You are required to insert:

- The legal name of the applicant (not merely a business name), or if the applicant is comprised of more than one person/entity, all of their legal names.
- The name of the Sequestration Pool which is the subject of the application. This must be a descriptive name, not an alphanumeric code. e.g. "Sunshine Plantation" not "SP123". If the application is successful and the applicant is accredited, their name and the name of the Sequestration Pool will be placed on the GGAS Registry. This information will be publicly available to all Registry users. When selecting a Sequestration Pool name, applicants should therefore take care to choose a name that sufficiently describes the portfolio of Eligible Forests, and is appropriate to make publicly available.

2.2 Part One – Applicant's Details

Part One asks you to provide summary details of the applicant, the people the Scheme Administrator may contact regarding the application, and a summary of the scope of accreditation.

1(a) Who is the applicant?

The purpose of this question is to identify the applicant and gain other relevant information.

Please restate the full legal name (not merely business names) of the applying entity (or all of them, if the applicant is comprised of more than one person/entity). The Australian Business Number (ABN) of the applicant must be provided (if the applicant has an ABN). The type of entity must also be provided (eg is the applicant an individual company, partnership, incorporated association, government department, statutory corporation, etc).

1(b) Who are the contact people for the application?

The purpose of this question is to identify key individuals involved with the applicant's accreditation.

Although three Contact Persons are provided for, in some instances the identification of Contact Person 1 (only) may suffice, provided that this person acts in the combined role of primary contact, 'Key User' and the person with the technical and operation expertise in regard to the Sequestration Pool.

Contact Person 1: **is the primary contact person for all communication and correspondence between the applicant and the Scheme Administrator.** This person must be an employee of the applicant and not an external consultant. It is likely that this person is the author of the Application Form.

Contact Person 2: (optional) is the person designated by the applicant as the 'Key User' for the registering of NGACs with the GGAS Registry. Guidance Point 1 below contains a brief introduction to the GGAS Registry and the role of the Key User. For further information, please refer to the GGAS website at www.greenhousegas.nsw.gov.au or GGAS Registry at www.ggas-registry.nsw.gov.au.

Contact Person 3: (optional) will be a person with operational or technical involvement with the applicant's greenhouse gas abatement activity, e.g. a forestry manager on site, or a contracted external consultant. The Scheme Administrator may choose to contact this person with regard to technical elements of the application.

Please ensure that for each Contact Person identified, that their ongoing role in regard to GGAS is clearly identified in the second field of the Table eg Primary Contact, or Key User, or Technical Contact/Consultant, or combination.

Guidance Point 1: The Role of the Key User in the GGAS Registry

The legislation that underpins GGAS requires that the Scheme Administrator keep a Register of accredited abatement certificate providers, and greenhouse gas abatement certificates.

The Registry is a web-based database application. ACPs use the Registry to create and transfer abatement certificates. Benchmark Participants use the Registry to identify ACPs, receive transfers of abatement certificates and meet their compliance obligations.

The "Key User" is the primary user of the Registry for each ACP. The Key User will be able to create accounts for other users authorised to access the Registry. In creating these accounts for these additional users, the Key User will also be able to control the level of Registry access of each user (such as whether the user can create, transfer or surrender abatement certificates), determine which Registry generated emails the user will receive, add/ disable user accounts and change passwords of those users.

The system is designed to be intuitive and user friendly. Please refer to the GGAS Registry www.ggas-registry.nsw.gov.au or its on-line helpline (1800 006 797) for further assistance.

1(c) What is the scope of the accreditation?

This question asks the applicant to identify and provide summary details of the Sequestration Pool and the Eligible Forest(s) that are included in the Sequestration Pool.

- (i) Please restate the name of the Sequestration Pool.
- (ii) The Sequestration Pool may consist of a single Eligible Forest or a collection of Eligible Forests. Please provide a brief description of the physical location of each of the Eligible Forests included in the Sequestration Pool with reference to the map attached to the Application Form. Where an applicant wishes to include multiple Eligible Forests into one Sequestration Pool, each Eligible Forest must be clearly defined in terms of location, area and planting date.
- (iii) Please provide the total size (in gross Ha) of the Sequestration Pool. This should include areas normally forming part of the Eligible Forest area which are temporarily unstocked as a result of human intervention (such as harvesting) or natural causes, but which are expected to revert to Eligible Forest. The total size of the Sequestration Pool must equal the sum of the individual areas of Eligible Forest.
- (iv) Please provide the date that the Eligible Forest(s) was planted. Where an applicant wishes to include multiple Eligible Forests into one Sequestration Pool, please provide the planting dates for each of the Eligible Forests.

You must prepare a detailed map, with references to relevant co-ordinates, showing the location of each of the Eligible Forests included in the Sequestration Pool, and attach it to the Application Form. For a large number of Eligible Forests, compile the required information (identifier, location, area, planting date) in a table and attach it to the Application Form.

2.3 Part Two – Eligibility for Accreditation

This part of the Application Form assesses whether applicants meet the criteria for eligibility for accreditation under the CS Rule. The questions are intended to assess each component of the eligibility requirements from the bottom up. You are required to provide detailed information and supporting documents to confirm that each of the eligibility requirements has been met.

There are a number of eligibility requirements under the CS Rule, beginning with the requirement that the applicant is “a Sequestration Pool Manager who carries out a Carbon Sequestration Activity”. Both of these defined terms lead to a series of more detailed terms and definitions.

The cascading definitions are as follows:

A **Sequestration Pool Manager** is someone who has management control over a Sequestration Pool and owns or controls Carbon Sequestration Rights.

A **Carbon Sequestration Activity** is defined in the CS Rule as “Carbon Sequestration in an Eligible Forest.”

An **Eligible Forest** is defined as a Forest planted on or after 1 January 1990 on Eligible Land.

A **Forest** is defined in the CS Rule through reference to UNFCCC documents and to the Australian Standard. These two sources provide a definition in terms of ranges for crown cover, height at maturity and area. Australia's National Carbon Accounting System has adopted specific values for each of these variables to define a Forest in the Australian context:

- tree crown cover (or equivalent stocking level) of more than 20 per cent
- trees with the potential to reach a minimum height of 2 metres at maturity in situ
- minimum area of 0.2 ha

The Forest must be planted on Eligible Land to be an Eligible Forest.

Eligible Land is defined in the CS Rule as “Kyoto-Consistent Land located in NSW that may be used for the purposes of growing forests capable of Carbon Sequestration ... and on which Carbon Sequestration Rights can be registered and are registered prior to the creation of NGACs”. This means that the land on which the Forest is planted must have been predominantly non-Forest at 31 December 1989. It also means that **Carbon Sequestration Rights** must be registered on the title of the land on which the Forest is planted for that land to be considered Eligible Land and for NGACs to be created.

You must provide detailed information and attach appropriate documents to support each response in this part of the Application Form.

Note: The process for compiling, checking and providing the information required to demonstrate the eligibility of each stand of Eligible Forest included in the Sequestration Pool must form part of your business processes and hence Record Keeping Arrangements (see Part Three of the Application Form). Your responses to the questions in Part Two can be used to demonstrate the appropriateness of the documentation and procedures that you have established, including templates for initial site surveys, planting activities, survival surveys, etc.

2(a) Have Carbon Sequestration Rights been registered on the title of the land?

The CS Rule requires that for land to be Eligible Land, it must have Carbon Sequestration Rights registered on the title of the land.

For this requirement to be met, Carbon Sequestration Rights must be registered on the title of each parcel of land through the NSW Department of Lands. Under section 87A of the *(NSW) Conveyancing Act 1919*, Carbon Sequestration Rights can be registered as a form of Forestry Right. You can obtain the appropriate form (Form 01TH, Transfer Creating Profit A Prendre or Forestry Right) and detailed instructions on how to complete and register this document from the RP Dealings section of the NSW Department of Lands website (www.lands.nsw.gov.au).

You must provide evidence that the Carbon Sequestration Rights have been registered for each parcel of land included in the Sequestration Pool. Such evidence could include land title searches that show the registered instruments or copies of the documents registered. Please ensure that each Carbon Sequestration Right dealing number matches the respective dealing number registered on the relevant land title search.

2(b) Was the land predominantly non-Forest on 31 December 1989?

The CS Rule requires that for land to be Eligible Land, it must be “Kyoto-Consistent Land”. This means that it must have been predominantly non-Forest on 31 December 1989.

You must provide evidence that each parcel of land included in the Sequestration Pool could not be considered to be predominantly covered with Forest (as that term is defined above) on 31 December 1989. You must also provide statements or evidence regarding the condition of each parcel of land prior to 1 January 1990 including the type of land use practiced on it.

The UNFCCC has provided some detail on the sort of verifiable information that must be provided to support your assertions on the status of the land at 31 December 1989.

- (a) Aerial photographs or satellite imagery complemented by ground reference data; or
- (b) Ground based surveys (land use permits, land use plans or information from local registers such as cadastre, owners register, land use or land management register);

The AGO, through its National Carbon Accounting System (NCAS), has made available high resolution satellite imagery in its *Data Viewer* to assist in establishing the status of land at the end of 1989. The Data Viewer is available from the NCAS section of the AGO website (www.greenhouse.gov.au/ncas).

2(c) Has the land been planted with Forest on or after 1 January 1990?

The CS Rule requires that for a Forest to be an Eligible Forest it must have been planted on Eligible Land on or after 1 January 1990.

You must provide evidence that planting has taken place on each parcel of Eligible Land on or after 1 January 1990 and that the planting meets the definition of Forest. This evidence could include planting records, contractor invoices, species information, stocking levels, area calculations, maps and photographs for each of the parcels of land included in the Sequestration Pool.

In order to ensure that NGACs are only created for Forest planted on or after 1 January 1990, any significant areas of Forest existing at 31 December 1989 on the Eligible Land need to be subtracted to determine the total area of Eligible Forest. Please attach to the Application Form details of any such adjustments and provide details of any assumptions and data used in this calculation.

2(d) Do you have management control of the Sequestration Pool and do you have ownership or control of the respective Carbon Sequestration Rights which are registered on the title of the land?

The CS Rule requires that for a person to be eligible to be accredited as an Abatement Certificate Provider they must be a Sequestration Pool Manager and “own or control Carbon Sequestration Rights registered on Eligible Land” (Clause 5(b)).

You must provide evidence that you have management control over the Sequestration Pool. This could include copies of contracts with land owners, statements of responsibility, or other appropriate documents.

You must also provide evidence that you own or control the Carbon Sequestration Rights registered on each parcel of Eligible Land included in the Sequestration Pool. If you own the Carbon Sequestration Rights, then appropriate evidence could include land title searches that show the registered instruments and copies of the documents registered. If you only have control over the Carbon Sequestration Rights then appropriate evidence could include copies of legally binding contracts between you and the owner(s) of the Carbon Sequestration Rights, or other legal documentation describing the control situation.

2(e) Can you demonstrate that you are capable of maintaining the abatement you register as NGACs for 100 years through the maintenance of carbon stocks in your Sequestration Pool?

In order to ensure the permanency of the greenhouse gas abatement that is proposed by the applicant, the CS Rule requires the applicant to demonstrate, to the satisfaction of the Scheme Administrator, that it is capable of meeting the requirement to maintain the greenhouse gas abatement secured by the Carbon Sequestration Activities for 100 years from the calendar year in which the respective NGACs may be registered (Clause 5(c)).

This eligibility requirement is obviously very difficult to satisfy given the very long time periods involved, the generally accepted duration of contracts, and the variability of land use over time.

The Scheme Administrator has constructed a framework that provides a practicable way for a Sequestration Pool Manager to demonstrate this capability. The permanency framework that has been developed consists of three elements:

1. The requirement that the specific components of the Sequestration Pool lend themselves to the maintenance of carbon stocks for 100 years. This means that the approach to Carbon Sequestration must be **consistent with the long term maintenance of carbon stocks**. For example, a Sequestration Pool based on clear-fell commercial forestry without specific plans to replant clear-felled stands would not be considered consistent with the long term maintenance of carbon stocks.
2. The **Conditions of Accreditation** that are imposed on Abatement Certificate Providers upon accreditation under the CS Rule. These Conditions include a number of specific requirements for the ongoing maintenance of carbon stocks as well as pathways to remedy situations where carbon stocks fall below the minimum requirements.

3. The requirement that for each Eligible Forest, a “Restriction on the Use of Land by a Prescribed Authority” (**Restriction On Use**) is registered on the title of the respective parcel of Eligible Land. This requirement acts as a ‘last line of defence’ in the maintenance of carbon stocks and is only triggered if there is clear evidence that the carbon stocks in the Sequestration Pool have (or are likely to) fall below the minimum levels.

Consistency with the long term maintenance of carbon stocks

Your response to this question in the Application Form must satisfy only the first of the three elements of the permanency framework. You must provide information that supports your assertion that the basis of the management and operation of the Sequestration Pool is consistent with the long term maintenance of carbon stocks in the Sequestration Pool. Examples of documentation that could be provided are:

- current and proposed future forest management practices;
- details of proposed future afforestation and reforestation activities to maintain or increase the greenhouse gas abatement;
- methods for ensuring that any planned harvesting or pruning activities will not reduce the greenhouse gas abatement represented by the creation of NGACs;
- covenants on land title or other documents relating to assurances over replanting Eligible Forest after harvest.

Conditions of Accreditation

The standard Conditions of Accreditation for the CS Rule (i.e. *Accreditation Notice*, and *General Accreditation Conditions*) can be obtained from the GGAS website (follow the “Accreditation Documents and Conditions” link in the Carbon Sequestration section of the GGAS website).

These documents provide clear and explicit conditions and requirements that must be adhered to as an accredited Abatement Certificate Provider. The obligations specified in the Conditions of Accreditation are legally binding under powers provided to the Scheme Administrator in the Act, Regulation and GGAS Rules.

It is recommended that you thoroughly examine these documents prior to submitting your application for accreditation so that you have a clear understanding of the ongoing requirements that will be imposed on you if you are successful in your application for accreditation. Once accredited, you will be legally obliged to comply with all requirements stated in the Conditions of Accreditation, including Special Accreditation Conditions which the Scheme Administrator will define based on the specific circumstances surrounding your Sequestration Pool.

The Conditions of Accreditation, among other things, spell out the process for remedying situations where there is a risk of non-compliance with the obligation to maintain carbon stocks. They also detail the process for adding Eligible Forests to and removing Eligible Forests from the Sequestration Pool once it is accredited.

Restriction On Use

With respect to the third element in the permanency framework, the Restriction On Use is a legal instrument that must be attached to the parcels of Eligible Land through registration on the land title. In this way the Restriction On Use goes with the land even if it is sold or otherwise encumbered during the 100 year maintenance period.

This instrument allows the Scheme Administrator to apply protective measures to the Eligible Forests in extreme circumstances. The protective (or restrictive) measures are only in force if the Scheme Administrator issues a notice to both the Sequestration Pool Manager and the land owner. The notice from the Scheme Administrator triggers certain restrictions on the Sequestration Pool Manager and land owner's activities with respect to the Eligible Forest on the land. Unless the notice is issued by the Scheme Administrator, there are no restrictions on the use of the land (except for whatever contractual arrangements exist between the Sequestration Pool Manager and the land owner).

As part of the accreditation process a Restriction On Use for each parcel of Eligible Land must be signed by the land owner(s), the Sequestration Pool Manager and submitted to the Scheme Administrator. When the Sequestration Pool Manager is accredited as an abatement certificate provider the Scheme Administrator signs each Restriction On Use and returns them to the Sequestration Pool Manager so they can be registered on the title of the respective parcel(s) of Eligible Land. The Sequestration Pool Manager's accreditation only formally commences when evidence that each Restriction On Use has been registered with the NSW Department of Lands is provided to the Scheme Administrator.

The cover page and the prescribed terms for the Restriction On Use are available from the GGAS website (follow the "Accreditation Documents and Conditions" link in the Carbon Sequestration section of the GGAS website). Each Restriction On Use prepared for submission to the Scheme Administrator must include exactly the terms prescribed.

The Scheme Administrator will only sign the Restriction On Use after the rest of the application for accreditation has been assessed and the decision to accredit has been made. Therefore, you are not required to provide a Restriction On Use (signed by the land owner and Sequestration Pool Manager) for each parcel of Eligible Land with this Application Form.

However, these documents must be submitted to the Scheme Administrator for accreditation to occur, and only once an appropriately signed Restriction On Use for each parcel of Eligible Land has been submitted to the Scheme Administrator can accreditation of the Sequestration Pool Manager be formally considered.

Note: Financial assurances (as specified in clause 73JA of the *Electricity Supply (General) Regulation 2001*) may in the future be required by the Scheme Administrator as a condition of accreditation. However, it is more likely that any financial assurances would take the form of a levy on NGAC creation, rather than a lump sum payment such as a bond or deposit.

2(f) Do you have in place Risk Management Arrangements with respect to hazards and risks to the Sequestration Pool including fire, disease, pests, climate variability and other unplanned depletion events?

The CS Rule requires that for a person to be eligible to be accredited as an Abatement Certificate Provider they must have “in place risk management procedures with respect to hazards and risks such as, but not limited to, fire, disease or pests, which the Scheme Administrator considers to be appropriate” (Clause 5(d)).

Relatively unpredictable hazards and risks can significantly impact the carbon stocks in Eligible Forests, including fire, disease, pests, climate variability and other unplanned depletion events. To ensure that there is a reduced potential for these hazards and risks to cause a breach of the carbon stocks maintenance obligation, Sequestration Pool Managers are required to develop and implement **Risk Management Arrangements** that are appropriate for the Sequestration Pool.

Approaches to risk management developed by the forestry industry serve as an excellent template for the preparation of Risk Management Arrangements suitable for use in the context of carbon sequestration. It is anticipated that the Risk Management Arrangements for the Sequestration Pool will as a minimum:

- identify hazards and risks,
- assess the hazards and risks for potential impact and likely occurrence,
- describe risk management strategies and practices to mitigate the hazards and risks,
- include a review cycle to update the assessments and monitor the effectiveness of the arrangements.

Given the importance of risk management in carbon sequestration activities, implementation of effective Risk Management Arrangements must be integrated into the Sequestration Pool's operations. This must be reflected in the other key documents attached to your Application Form, such as Record Keeping Arrangements, NGAC Compliance Reporting Arrangements, and Maintenance Compliance Reporting Arrangements (described later in this Guide).

The assessment and quantification of the impact that individual hazards and risks could have on carbon stocks is crucial to developing and prioritising appropriate risk management strategies. Appendix B of the Australian Standard advises that a sensitivity analysis be carried out to assess the effect of the hazards and risks on the estimate of carbon stock change, particularly the impact of climate variability, and be factored into the Risk Management Arrangements. See Guidance Point 2 for an example of the use of carbon stock change models for hazard assessment.

In answering this question in the Application Form, you must provide information on the origins of your Risk Management Arrangements, their suitability for the specific Sequestration Pool that is the subject of the application for accreditation, and a description of how the Risk Management Arrangements have and will be implemented (including review cycles).

You must attach your Risk Management Arrangements document. It must be clearly marked with a distinct title, author and release date and it must include version control tables to allow explicit approval of the document (and subsequent updates) by the Scheme Administrator.

Guidance Point 2: Using Carbon Stock Change Models in Hazard Assessment

This type of hazard assessment involves varying the inputs to carbon stock change models to represent the variations that would occur as the result of a hazard event, and analysing how the model output (i.e., change in carbon stock) is affected.

Example:

- If a hazard assessment were being performed on the effects of fire activity, input parameters such as 'change in living tree biomass pools' and 'change in other vegetation biomass pools' would be varied to represent fire conditions. The resulting changes to carbon stock would then be observed in the model outputs, and should be factored into the development of appropriate risk management procedures.
- Similarly, the impact of climate variability on the growth of the Eligible Forests could be assessed by varying rainfall assumptions used in the models (to represent an extended drought) and observing the impact on carbon stock changes.

2(g) Do you have in place Record Keeping Arrangements that support the information that you have provided in this Application Form and will support the ongoing management, operation and verification of the Sequestration Pool?

The CS Rule requires that for a person to be eligible to be accredited as an Abatement Certificate Provider they must have "in place record keeping arrangements with respect to the Carbon Sequestration Activity that the Scheme Administrator considers appropriate" (Clause 5(e)). The Regulation also specifies that the Sequestration Pool Manager keep records of:

- (1) the location and size of any Eligible Land owned or controlled from time to time;
- (2) any Carbon Sequestration Rights held in respect of any other Eligible Land from time to time;
- (3) any activity on land referred to in sub-clause (1) or (2) that is likely to result in a reduction in the greenhouse gas emissions abated by the planted Eligible Forests on that land, including any clearing of that land.

The nature of carbon accounting in forests means that the quantity of carbon sequestered is rarely directly measured. Rather, the quantity of sequestration is calculated from other parameters which can be readily measured or estimated (e.g. tree diameter, stocking rates, etc). As such, keeping records of the parameters used in calculating sequestration is critical to creating the correct number of NGACs.

To ensure that there is a thorough and consistent approach to the gathering, compilation, and use of records, Sequestration Pool Managers are required to develop and implement **Record Keeping Arrangements** that are appropriate for the Sequestration Pool.

The Scheme Administrator has prepared the “*Guide to Record Keeping for Abatement Certificate Providers*” to assist in the development of appropriate Record Keeping Arrangements. This document is available from the GGAS website. However, as a general principle, record keeping arrangements should be consistent with the Australian Standard on Records Management AS/NZS ISO 15489-2002.

Record Keeping Arrangements for carbon sequestration must include (at a minimum):

- the location and the area of each of the Eligible Forest sites and the Eligible Land, including all spatial data necessary to uniquely identify the area of Forest that will be used to create NGACs
- Carbon Sequestration Rights held in respect of the Eligible Land
- a description of the vegetation on each of the Eligible Forest sites including planting date, species, stocking rate and productivity measures such as site index or other data that can be used to assess the growing capacity of the site
- the area of each of the Eligible Forests and the total gross area of the Sequestration Pool
- the sampling and measurement methodologies that are used to monitor the growth of the Eligible Forests and associated levels of uncertainty, and
- the models that have been applied e.g. site index models, tree growth models, wood density factors, biomass partitioning models, carbon proportion factors and soil carbon models, and associated levels of uncertainty.

Record Keeping Arrangements must also include detailed process maps (or flow diagrams) and explanations demonstrating how each type of record is kept. This should include (at a minimum):

- the process for gathering data including the corresponding uncertainty for each variable
- how data is recorded within the relevant information systems
- details of any information systems, databases, and/or spreadsheets used to collate, manage or store records
- details of personnel responsible for each type of record
- the length of time records are retained and procedures for archiving and retrieving documents, and
- details of internal control processes that provide assurance in relation to the completeness, accuracy and validity of each type of record listed.

Note: The General Accreditation Conditions (Clause 4.13(b)) include the requirement that the Sequestration Pool Manager must, in respect of each NGAC created and for the duration of the Maintenance Obligation for that NGAC, retain all records necessary to substantiate the date of creation of that NGAC and the Sequestration Pool Manager’s compliance with the Maintenance Obligation in respect of that NGAC.

In answering this question in the Application Form, you must provide information on the origins of your Record Keeping Arrangements, their suitability for the specific Sequestration Pool that is the subject of the application for accreditation, and a description of how the Record Keeping Arrangements have and will be implemented.

You must attach your Record Keeping Arrangements document. It must be clearly marked with a distinct title, author and release date and it must include version control tables to allow explicit approval of the document (and subsequent updates) by the Scheme Administrator.

2.5 Part Three – Carbon Sequestration Estimation Methodology

This part of the Application Form assesses whether applicants are using an appropriate method to calculate the number of NGACs that are eligible to be created from abatement within the Sequestration Pool.

The CS Rule requires Sequestration Pool Managers to establish a Carbon Sequestration Estimation Methodology (CSEM) to calculate the change in carbon stocks in the Sequestration Pool over a defined period, and hence the number of NGACs that are eligible for creation on the GGAS Registry.

However, the CS Rule (in its current form) provides limited guidance on the detailed requirements of a CSEM. As such, the Scheme Administrator has defined a series of steps and parameters that provide a consistent structure for calculating NGACs across different Sequestration Pools. It is anticipated that the CS Rule will soon be amended to formally incorporate these concepts.

The CSEM must be established as follows:

1. Nominate a **Carbon Sequestration Estimation Period** ("CSEP") for the Sequestration Pool (or for each part of the Sequestration Pool).
 - The CSEP can be from one calendar year to five calendar years. This allows the carbon stock change within the Sequestration Pool to be estimated over a number of years, rather than just one year. i.e., carbon accounting is undertaken in accordance with the Australian Standard to arrive at an estimate of carbon stock change between the beginning and the end of the CSEP. The carbon stock in the Sequestration Pool is then assumed to increase or decrease at a constant rate from the beginning to the end of the CSEP.
 - The multi-year approach is especially useful for estimating carbon stock change in the early stages of growth in Eligible Forests. Different CSEPs can be nominated for each part of the Sequestration Pool where different stands of tree type have been planted or where different stands have been planted at different times and are therefore at different stages of growth.

2. Nominate a **Crediting Period** for the Sequestration Pool.
 - The Crediting Period is the regular period used for the calculation of carbon stock change in the Sequestration Pool and the creation of NGACs on the GGAS Registry. The Crediting Period can be anything up to one calendar year.
 - The CSEM will need to be “run” for each Crediting Period, so if you nominate a Crediting Period of one month, the CSEM will need to be “run” at least twelve times in each calendar year.
3. Set up or develop a **model** to calculate carbon stock change for each Crediting Period.
 - Calculation of carbon stock change must be consistent with the Australian Standard (available from www.standards.com.au).
 - Various models are available to assist in these calculations, or the Sequestration Pool Manager can develop its own modelling tools. The AGO’s National Carbon Accounting Toolbox (incorporating FullCAM) is a good example of a readily available modelling tool and is accepted by the Scheme Administrator as long as appropriate Uncertainty Analysis is incorporated into the modelling procedures (see below for more detail on Uncertainty Analysis).
 - For each part of the Sequestration Pool, the carbon stock change for a Crediting Period is the carbon stock change over the portion of the CSEP which corresponds to the Crediting Period. The total carbon stock change for the pool during the Crediting Period is the sum of the carbon stock change values determined for each part of the Sequestration Pool.
 - In accordance with the Standard, loss of carbon stock from the Sequestration Pool must be accounted for as an emission in the year in which that part of the carbon stock loss occurred.
4. Undertake **Uncertainty Analysis** to determine the **Adjusted Carbon Stock Change** for each Crediting Period
 - The use of Uncertainty Analysis serves dual purposes in the CSEM. Primarily, it “builds in” a level of conservatism in the abatement calculations. Additionally, based on the processes involved in the analysis, it also encourages the sourcing of model inputs with lower levels of uncertainty (especially those inputs that have a significant impact on the carbon stock change estimates), ultimately improving the accuracy of the abatement calculations over time.
 - The Australian Standard (available from www.standards.com.au) provides detailed guidance on the use of Uncertainty Analysis. General guidance for the conduct of such an uncertainty analysis is also available in the following:
IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories. Intergovernmental Panel on Climate Change, 2000. (Available from www.ipcc-nggip.iges.or.jp/public/gp/english/);
IPCC Good Practice Guidance for Land Use, Land-use Change and Forestry. Intergovernmental Panel on Climate Change, 2003. (Available from www.ipcc-nggip.iges.or.jp/public/gpplulucf/)

- You must ensure that there is at least a 70% probability that the actual carbon stock change is equal to or exceeds the estimated carbon stock change (this is “the 70% Rule” in Clause 8.3 of the CS Rule). To comply with the 70% Rule, the estimate of carbon stock change is determined as no greater than the 30th percentile value of the carbon stock change of the probability distribution function resulting from the uncertainty analysis required by the Australian Standard.
5. Calculate the **Total Adjusted Carbon Stock** at the end of each Crediting Period
- The Total Adjusted Carbon Stock at the end of a Crediting Period is the sum of the Adjusted Carbon Stock Changes for that Crediting Period and each of the previous Crediting Periods.
 - For the purpose of creating NGACs, the abatement deemed to have occurred during the current Crediting Period is equal to the Total Adjusted Carbon Stock in the current Crediting Period less the Total Adjusted Carbon Stock in the previous Crediting Period.

The number of NGACs that can be created is described by Equation 1 in the CS Rule:

$$\text{Number of NGACs that may be created} = \text{Net Carbon Stock Change} \times 44/12$$

Where:

- Number of NGACs that may be created is in tonnes of CO₂-e
- Net Carbon Stock Change (in tonnes of Carbon) is equal to the Total Adjusted Carbon Stock in the current Crediting Period less the Total Adjusted Carbon Stock in the previous Crediting Period.
- 44/12 is the factor used to convert tonnes of Carbon to CO₂-e

To ensure that there is a thorough and consistent approach to the development and use of the Sequestration Pool Manager’s Carbon Sequestration Estimation Methodology, and hence the calculation of the number of NGACs that are eligible to be created on the GGAS Registry, Sequestration Pool Managers are required to develop and implement a **Calculation Method** that is appropriate for the Sequestration Pool.

The **Calculation Method** document provides the procedural details for the Carbon Sequestration Estimation Methodology and NGAC calculations. It must include (at a minimum):

- Definitions, methods of estimation and supporting assumptions for measurement of initial carbon stock, change in the various carbon pools within the Eligible Forests, any exclusion of carbon pools, algorithms used to convert biomass to carbon.
- Forest stand stratification (including planting dates, species, stocking rates, etc) and associated growth assumptions for each class or category of stand of Eligible Forest.
- Sources of all inputs and associated uncertainty estimates.
- Detailed procedures for gathering of inputs, use of the model, uncertainty analysis, quality control processes, and generation of reports.

3(a) Do you have a clear and well-documented Carbon Sequestration Estimation Methodology tailored to the specific circumstances of the Sequestration Pool?

In answering this question in the Application Form, you must provide information on the origins of your CSEM, its suitability for the specific Sequestration Pool that is the subject of the application for accreditation, and a description of how the CSEM has and will be implemented (including review cycles).

You must attach your Calculation Method document. It must be clearly marked with a distinct title, author and release date and it must include version control tables to allow explicit approval of the document (and subsequent updates) by the Scheme Administrator.

3(b) What Carbon Sequestration Estimation Period(s) have you selected for estimating the accumulation of carbon stocks in the Sequestration Pool?

You must provide a brief statement as to the CSEP(s) that you have selected and why these are appropriate given the specific characteristics of the Sequestration Pool. Please indicate if you intend to vary the nominated CSEP for each part of the Sequestration Pool across the growth cycle of the Eligible Forests. (e.g., CSEP of 5 years immediately after planting, followed by CSEPs of 3 years for the remainder of the growth period).

3(c) What Crediting Period have you selected for estimating the abatement that is occurring in the Sequestration Pool?

You must provide a brief statement as to the Crediting Period that you have nominated for the Sequestration Pool. (e.g., calendar years, six month periods, single months, etc). The Crediting Period can be any period up to a maximum of one calendar year.

3(d) What modelling approaches or tools are you using to undertake the required calculations?

You must provide a brief statement as to the modelling approaches or tools that you have selected for use in your Carbon Sequestration Estimation Methodology. Please provide an explanation as to why you selected these approaches or tools and how they are appropriate for the specific characteristics of the Sequestration Pool.

Details of the modelling approaches used, including operational procedures, inputs, assumptions, quality control processes and preparations for verification must be included in your Calculation Method document.

3(e) What approach are you using to perform the required Uncertainty Analysis and what have you selected as your level of conservatism in the calculation of NGACs?

You must provide a brief statement as to the approach that you are using for the required Uncertainty Analysis. This could include the name of a specific analysis tool, or the selection of a particular simulation method (e.g. Monte Carlo simulation). Please provide some indication as to the experience and qualifications of the person that is responsible for the Uncertainty Analysis.

Details of the Uncertainty Analysis used, including operational procedures, inputs, assumptions, quality control processes and preparations for verification must be included in your Calculation Method document.

You must also state the approach you are using to conservatism in the calculations in terms of the probability that the net increase in carbon stocks in any given period exceeds the increase in carbon stocks used to create NGACs. The CS Rule requires a minimum of 70%.

3(f) How many NGACs do you anticipate creating from the Sequestration Pool in each of the first three calendar years after accreditation?

You must provide an estimate of the number of NGACs that you anticipate creating from the Sequestration Pool in each of the first three calendar years after accreditation. These figures must be based on the results from your Carbon Sequestration Estimation Methodology, using assumptions that are reasonable at the time the Application Form is completed.

These figures are only considered to be preliminary estimates. The actual number of NGACs that you create in the years following accreditation will depend on the actual performance of the Sequestration Pool as well as any additions to or removals from the Eligible Forests included in the Pool.

Please clearly label each estimate with the appropriate calendar year.

3(g) Has the Sequestration Pool had funding approved from the Australian Government's Greenhouse Gas Abatement Program ("GGAP")?

Under Clause 9.3 of the Rule, if GGAP funding for the Sequestration Pool is approved on or after January 1, 2003 the number of NGACs that can be created is reduced by the proportion of total project cost funded by GGAP. Guidance Point 3 (below) illustrates the number of NGACs a GGAP funded project is eligible to create.

Guidance Point 3: Calculating the number of NGACs from GGAP funded projects

$$\text{Number of NGACs} = \frac{\text{Total project cost (\$) - GGAP funding approved (\$)}}{\text{Total project cost (\$)}} \times \text{tCO}_2\text{e abated}$$

For example: If GGAP funding represents 20% of project funding then only 80% of eligible abatement can be used to create NGACs.

If funding for the Sequestration Pool has been approved by GGAP, you must provide the:

- total amount of GGAP funding approved for the project
- percentage of total project funding provided by GGAP, and
- date of approval of GGAP funding for the project.

Supporting documents required if you answer "yes"

If GGAP funding has been approved, you must attach detailed project costings and supporting evidence, such as suppliers' quotations or tax invoices, to demonstrate the above information. Evidence of GGAP funding approval is also required. To confirm this information, the Scheme Administrator may contact the Australian Greenhouse Office (AGO). Please complete the 'Consent for the NSW Greenhouse Gas Scheme Administrator to contact the Australian Greenhouse Office' from the GGAS website. This form needs to be printed on the applicant's letterhead and signed by the same person who is listed as Contact Person 1 and who is the signatory in Part 5.

2.5 Part Four – Monitoring and Reporting

Part Four of the Application Form assesses whether applicants have developed and implemented appropriate arrangements for monitoring and reporting.

The arrangements for monitoring and reporting of carbon sequestration activities under GGAS have been split into two distinct “modes”. The first mode is applicable to periods when NGACs are being created with respect to abatement in the Sequestration Pool. The second mode is applicable to periods when the carbon stocks in the Sequestration Pool have stabilised, NGACs are not being created, and maintenance of the carbon stocks for 100 years from the date of NGAC creation becomes the focus of ongoing compliance with GGAS.

Sequestration Pool Managers are required to develop and implement compliance reporting arrangements appropriate for each of these two modes; **NGAC Compliance Reporting Arrangements** and **Maintenance Compliance Reporting Arrangements**.

These arrangements must be clearly documented and should include (as a minimum):

- Clear and explicit procedures for compiling the report, including sources, responsibilities, quality control processes, and sign off requirements (reports must be signed by the Sequestration Pool Manager),
- Templates for reports that will be submitted to the Scheme Administrator,
- Information required to support the creation of NGACs (to demonstrate that they have been created in accordance with the Act, Regulations and GGAS Rules and the approved Calculation Method) and/or the maintenance of sufficient carbon stocks in the Sequestration Pool,
- Summary of the Eligible Forests that make up the Sequestration Pool and details of any changes that may have occurred during the period covered by the report.

As part of the General Accreditation Conditions, the Sequestration Pool Manager must:

- comply with the NGAC Compliance Reporting Arrangements for each calendar year for which NGACs are created,
- comply with the Maintenance Compliance Reporting Arrangements, for each calendar year for which no NGACs are created.

It is anticipated that the Maintenance Compliance Reporting Arrangements will rely less on outputs from the CSEM and make greater use of satellite imagery to demonstrate the continuing existence of mature stands of Eligible Forest.

In preparing these Compliance Reporting Arrangements documents, please ensure that the procedures are integrated with your Record Keeping Arrangements (as a source of information and as storage of submitted reports) and your Carbon Sequestration Estimation Methodology. This will provide greater confidence in the contents of the reports, while at the same time ensuring that there is a clear audit trail from the number of NGACs all the way back to inputs to the models and raw data from the field.

4(a) Do you have in place NGAC Compliance Reporting Arrangements for the gathering, compilation and reporting of information sufficient to support the creation of NGACs on the GGAS Registry?

In answering this question in the Application Form, you must provide information on the origins of your NGAC Compliance Reporting Arrangements, their suitability for the specific Sequestration Pool that is the subject of the application for accreditation, and a description of how the NGAC Compliance Reporting Arrangements will be implemented (including review cycles).

You must attach your NGAC Compliance Reporting Arrangements document. It must be clearly marked with a distinct title, author and release date and it must include version control tables to allow explicit approval of the document (and subsequent updates) by the Scheme Administrator.

4(b) Do you have in place Maintenance Compliance Reporting Arrangements for the gathering, compilation and reporting of information to support compliance with the requirement to maintain for 100 years the abatement that you register as NGACs?

In answering this question in the Application Form, you must provide information on the origins of your Maintenance Compliance Reporting Arrangements, their suitability for the specific Sequestration Pool that is the subject of the application for accreditation, and a description of how the Maintenance Compliance Reporting Arrangements will be implemented (including review cycles).

You must attach your Maintenance Compliance Reporting Arrangements document. It must be clearly marked with a distinct title, author and release date and it must include version control tables to allow explicit approval of the document (and subsequent updates) by the Scheme Administrator.

2.6 Part Five – Declaration

The Application Form must be validly signed by a person with the appropriate legal authority to bind the applicant to the submitted Application Form. Such persons would include the applying entity's Chief Executive Officer, Chief Financial Officer, Managing Director or Board Member ("the applicant").

If there is more than one applicant, all applicants (or a person authorised by all applicants), must sign the Application Form.

If the signatory is not the applicant, the signatory must provide evidence that the applicant has authorised the signatory to sign the Application Form on the applicant's behalf.

The applicant must also download the '*Undertaking regarding benefits under other mandatory Greenhouse Gas schemes*' form from the GGAS website. This form should be printed on the applicant's letterhead and be signed by the same person who signed the Application Form.

If the applicant has previously submitted this Undertaking with respect to a separate application for accreditation, a copy of this original undertaking is satisfactory to meet the Scheme Administrator's requirements.

Note: Before signing and submitting the Application Form and the attachments, please ensure that the Application Form fully addresses each question in accordance with the Guide. Only a suitably complete application will be accepted by the Scheme Administrator for further assessment. An incomplete application may be rejected by the Scheme Administrator.

Contact Details

Please direct any enquiries regarding accreditation as an abatement certificate provider to:

Scheme Administrator
Greenhouse Gas Reduction Scheme

Phone Number:

02 9290 8452

Fax Number:

02 9290 2063

Street Address:

IPART, Level 8
1 Market Street
SYDNEY NSW 2000

Postal Address:

Greenhouse Gas Reduction Scheme
PO Box Q290
QVB POST OFFICE NSW 1230

Email Address:

mail@greenhousegas.nsw.gov.au

Appendix 1 – Accreditation Process Maps

