

Step 5

Apply for credits

Applications for carbon credits are made at the same time as a project proponent submits their offsets and audit reports using the *Certificate of Entitlement Application including Offsets Report Form*.

Step 6

Credits issued

The Clean Energy Regulator will assess applications for a Certificate of Entitlement. If the Regulator is satisfied that a number of conditions are met a Certificate of Entitlement will be issued to the project proponent advising them of the number and type of Australian carbon credit units that the offsets project is entitled to receive for the reporting period. The Australian carbon credit units will be issued into the proponent's specified Australian National Registry of Emissions Units (Registry) account.

Step 7

Project closure

Project closure occurs when the project's intended activities and timeframe are completed. As participating in the Carbon Farming Initiative is voluntary, a project proponent can choose to withdraw from the Carbon Farming Initiative by notifying the Clean Energy Regulator at any time. If the project is a sequestration offsets project all Australian carbon credit units issued or an equivalent number of eligible carbon units from other sources must be handed back to the Clean Energy Regulator.

For information about applying to participate or how the Carbon Farming Initiative works contact the Clean Energy Regulator

P 1300 553 542
E cfi@cleanenergyregulator.gov.au

www.cleanenergyregulator.gov.au

October 2012



Australian Government
Clean Energy Regulator

Clean Energy Regulator

Carbon Farming Initiative

Steps for participating in the Carbon Farming Initiative



Find out more: www.cleanenergyregulator.gov.au

The Carbon Farming Initiative allows land managers to earn Australian carbon credit units by storing carbon or reducing greenhouse gas emissions on the land. For information about applying for a Carbon Farming Project contact the Clean Energy Regulator.

Visit the Clean Energy Regulator website for:

- Steps for participation
- Regular scheme updates
- Easy access to application forms, guides and publications.

Steps for participating in the Carbon Farming Initiative



Planning a CFI project

Carbon Farming Initiative projects avoid greenhouse gas emissions or store carbon on the land. It is important to plan your Carbon Farming Initiative project before you apply to the Clean Energy Regulator. Check that a methodology determination exists for your chosen activity. A full list is on the Clean Energy Regulator's web site. Planning also involves consideration of legal, monitoring, auditing and financial aspects of your project.

Step 1 Apply to become a recognised offsets entity and open a registry account

Participation is open to individuals, sole traders, businesses, local, state and territory government bodies and trusts. Complete the *Application for Recognition as an Offsets Entity Form* to become a recognised offsets entity and open an Australian National Registry of Emissions Units (Registry) account. This step is to preserve the scheme's integrity by ensuring that recognised offsets entities are fit and proper persons. Australian carbon credit units will be issued into the proponent's registry account.

Step 2 Apply for a project

To apply complete the *Application for Declaration of an Eligible Offsets Project Form*. The proponent must be responsible for carrying out the project, have the legal right to carry out the project, and be a recognised offsets entity. In addition, the project must be covered by a methodology determination and be carried out in Australia. The project area must not be used to meet a legal obligation to offset or compensate for the adverse impact of an action on vegetation. For projects that store

carbon, the project proponent must also hold the applicable carbon sequestration right, have the consent of others with an eligible interest in the land and agree to store the carbon in the project area for 100 years.

Step 3 Undertake approved project

Once the project has been declared eligible the project proponent undertakes the project according to the applicable methodology determination and the requirements of the Carbon Farming Initiative Act and regulations.

Step 4 Submit offset and audit reports

A project proponent can choose when to report and apply for credits. The first report is due within one to five years of the project being declared eligible and every one to five years thereafter. The offsets report must be accompanied by an audit of the project. This audit is paid for by the project proponent and must be conducted by a National Greenhouse and Energy Auditor. Complete the *Certificate of Entitlement Application including Offsets Report Form*. This one form covers steps 4 and 5.