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Variation to the *Measurement of soil carbon sequestration in agricultural systems methodology*

Background

Carbon Link has been involved in soil carbon research for 12 years and is the largest project proponent in soils in Australia, having completed 16,000ha of baselining and developing, in conjunction with CSIRO, the new, non destructive soil carbon measurement system. Our opinion is therefore based on a long history with the soil carbon methodologies in Australia and practical application of them.

The current methodology has a lot of rigour in it and has nailed the measurement protocols, but it is not farmer friendly. It was designed by and for bureaucrats. One example is the method requires projects to be resampled within 30 days of the baseline anniversary which is totally impractical and unnecessary.

Another example is the requirement (barrier) in the Method where 50% of the carbon sequestrations measured in the first follow up sampling is deferred until after the second round of sampling. While follow up sampling can occur anywhere between 1 and 5 years after the baseline sampling, sampling is likely to be at least 4 years apart because of the high costs of field sampling and analysis. Economic modelling and analysis indicates that these **projects may be cash flow negative for 8 to 10 years**. This very long pay-back time means that these projects may not be economically viable as this Methodology won't deliver enough commercially viable ACCUs until the 50% deferment is dropped.

There is no logical justification for this deferment. The risk that credits that could be claimed at the end of the first round are excessive are already addressed in the rigorous sampling design, the 5% buffer discount, the 20% permanence discount, the uncertainty discount and the exceedance discount. Compared to international methodologies, the discounting is excessive even before the 50% is removed. International methodologies generally discount by the uncertainty or 10%, whichever is greater. This discounting is also a deterrent to emitters who need access to offsets.

Other sequestrations methodologies in Australia on agricultural land **do not require the deferment** of half the carbon credits from the first round. This logic for the Soil Carbon Farming Systems Methodology is not consistent with that of other land based, sequestration Methodologies. There are many more examples that our proposed process for a variation to the method will eliminate, whilst maintaining the rigour and at the same time make soil carbon projects more commercially viable.

Recommendation

Combine the *Measurement of soil carbon sequestration in agricultural systems (MSCSAS)* methodology with The American Carbon Registry (ACR) approved GHG offset methodology for *Grazing Land and Livestock Management (GLLM)*. <https://americancarbonregistry.org/carbon-accounting/standards-methodologies/grazing-land-and-livestock-management-gllm-ghg-methodology>

This will capture the advantage of each while dropping the non-practical stuff from each to produce a flexible, accurate, modelled and measured method. For example, the ACR method has harsher additionality rules than Australia and a range of user-friendly attributes when compared to the MSCSAS method.

The first step would be to get the combined methodologies approved by ACR and then in turn get it approved as a variation to the current MSCSAS method here in Australia by the Clean Energy Regulator.

Advantages

- This is a very acceptable approach to the market. It is actually going to be essential in order to bring the big emitters on board to fund projects and buy credits. It should be a comparatively straightforward process as it is taking two approved methods and combining them
- It should cost between AUS\$180 to \$200K for the first step to get approval from ACR
- Annualized credit issuance and cashflow
- 40 year crediting period
- Allows the pioneers to get involved
- We can reduce the ambiguity in the MSCSAS method



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