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Clean Energy Regulator

5 Farrell Place

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SUBMITTED ONLINE:

<https://consult.industry.gov.au/cer/carbon-capture-and-storage-draft-method/>

**27 July 2021**

**RE: Response to carbon capture and storage method: proposed new method under the Emissions Reduction Fund**

To whom it may concern,

Thank you for the opportunity to provide comment on the proposed Carbon Capture and Storage (CCS) method under the Emissions Reduction Fund (ERF).

The Australasian Centre for Corporate Responsibility (ACCR) is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC). ACCR invests in and engages with Australian listed companies in regard to their performance on various issues, including climate and the environment. ACCR also works closely with institutional investors and has direct visibility of their current and emerging priorities.

ACCR acknowledges that, subject to the resolution of various “economic, political and technical”<sup>1</sup> issues, CCS *may* have a role in the decarbonisation of hard to abate industries such as steel and cement. Our concern is that to date, it has primarily been embraced and endorsed by the fossil fuel industry, with it being used to “rationalise - and subsidise - continued investment in fossil fuel infrastructure that would lock in emissions of CO<sub>2</sub> and other pollutants for decades to come”.<sup>2</sup>

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<sup>1</sup> IEA, “Net Zero by 2050, A Roadmap for the Global Energy Sector”, May 2021, p 94

<sup>2</sup> Centre for International Environmental Law, “Confronting the myth of carbon-free fossil fuels”, 2021 [Link](#)

We have read through the draft methodology and method guide and provide our comments below, with a focus on the potential adverse social, environmental and economic impacts from this method, which warrant due consideration by the Minister for Energy and Emissions Reductions.

### **CCS as justification for continued reliance on fossil fuels**

The history of geological CCS is littered with projects that started but did not finish, targets that were set and not reached, and ambitious claims from the fossil fuel industry, which failed to eventuate. In 2006, the then-CEO of the Australian Coal Association, which was later subsumed by the the Minerals Council of Australia, claimed “[t]here is no reason why by 2020 we can’t be putting a quarter of our emissions from coal and gas back into the ground, and no reason why by 2030 it wouldn’t be about half.”<sup>3</sup> The IEA’s 2009 CCS Roadmap set a goal of 100 projects capturing 300 Mt CO<sub>2</sub> per year (MtPA) by 2020.<sup>4</sup> According to the CCS Institute’s annual report on the state of the industry in 2020, only 27 commercial CCS projects are currently operating. Their total capacity for CO<sub>2</sub> capture is 39.26 MtPA; less than one fifth of the IEA’s 2009 goal,<sup>5</sup> and the vast majority - 81% - are used for enhanced oil recovery (EOR).<sup>6</sup>

The rate of CCS project failure is striking: a recent study of all CCS developments in the United States of America (home to a significant majority of the world’s CCS capacity) found that more than 80% had ended in failure.<sup>7</sup> But as recent reports from Chevron’s Gorgon project in Western Australia have shown us, even where projects do go ahead and are heavily subsidised by taxpayers, they are often plagued with problems, and plant capacity figures are not a good proxy for the actual amount of CO<sub>2</sub> being captured.<sup>8</sup>

Through all of this trial and error, global greenhouse gas emissions, primarily driven by the extraction and use of fossil fuels, have continued to rise, with atmospheric carbon dioxide hitting 419 parts per million for the first time in May 2021 (see Figure 1).<sup>9</sup> Additionally, the impacts of climate change are becoming more and more pronounced, with the northern hemisphere currently experiencing flooding, heatwaves and fires at a scale unseen before, with climate change attribution studies finding such disasters to be “virtually impossible without human-caused climate change”.<sup>10</sup>

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<sup>3</sup> Trounson, A, “Green power for the future”, *The Australian*, June 2006

<sup>4</sup> International Energy Agency, “Technology Roadmap - Carbon Capture and Storage,” 2009, 6, 26,

<sup>5</sup> CCS Institute, “Global Status of CCS 2020,” 2020, 38,

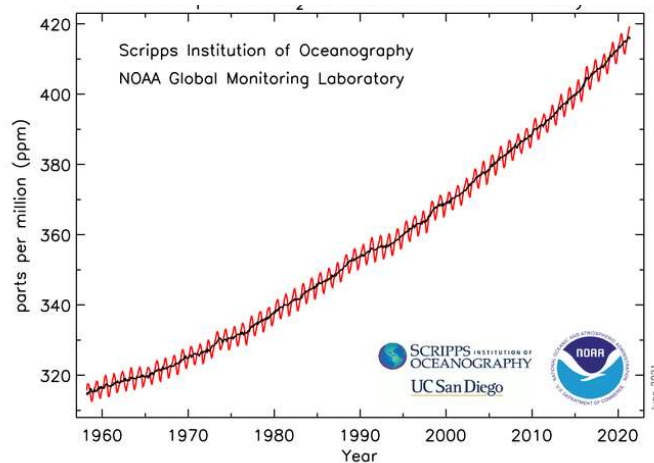
<sup>6</sup> CCS Institute, “Global Status of CCS 2020,” 38.

<sup>7</sup> Ahmed Abdulla et al., “Explaining Successful and Failed Investments in U.S. Carbon Capture and Storage Using Empirical and Expert Assessments,” *Environmental Research Letters* 16, no. 1 (December 2020): 1, doi:10.1088/1748-9326/abd19e.

<sup>8</sup> RenewEconomy, “Chevron concedes CCS failures at Gorgon, seeks deal with WA regulators”, July 2021 [Link](#)

<sup>9</sup> US National Oceanic & Atmospheric Administration, “Carbon dioxide peaks near 420 parts per million at Mauna Loa observatory”, 7 June 2021

<sup>10</sup> World weather attribution, “Western North American extreme heat virtually impossible without human-caused climate change”, 7 July 2021, [Link](#)



**Figure 1: US NOAA Atmospheric CO<sub>2</sub> measurements<sup>11</sup>**

ACCR’s primary concern with incentivising CCS through this methodology is the fossil fuel industry’s use of CCS to justify continued expansion and production at a time when the need for decarbonisation is so urgent. The promise of CCS has enabled emissions growth and the worsening of climate change impacts rather than emissions reductions. And this is continuing, with Santos Managing Director Kevin Gallagher referring to the potential of CCS when announcing the Final Investment Decision (FID)<sup>12</sup> for the Barossa LNG project and attempting to justify the Narrabri gas project at the NSW Independent Planning Commission.<sup>13</sup> No CCS project can prevent all emissions from these projects, particularly fugitive methane emissions.

Consequently, we strongly recommend the implementation of a “**fossil fuel expansion test**” within the methodology, to determine whether proposed CCS projects are being used to rationalise growth in fossil fuel production and the associated release of greenhouse gas emissions in extraction, processing and consumption. This line of thinking is not dissimilar to the Clean Energy Regulator (CER)’s expressed concerns regarding Enhanced Oil Recovery (EOR) becoming a discrete ERF method, due to its contribution to greater hydrocarbon extraction.<sup>14</sup>

<sup>11</sup> US National Oceanic & Atmospheric Administration, “Carbon dioxide peaks near 420 parts per million at Mauna Loa observatory”, 7 June 2021

<sup>12</sup> Santos, “Santos announces FID on the Barossa Gas Project for Darwin LNG”, media release, 30 March 2021

<sup>13</sup> Independent Planning Commission, “Public hearing re Narrabri gas project”, Transcript of Proceedings, 20 July 2020 [Link](#)

<sup>14</sup> Clean Energy Regulator representative, “Carbon Market Institute, “Carbon Conversation – CCS Method and Technology Update”, presentation, 23 July 2021

## Double claiming risk

Santos, as a likely proponent of a CCS Australian Carbon Credit Unit (ACCU) project, has made a commitment to reach net zero scope 1 & 2 emissions by 2040. Santos has not made an equivalent commitment to reduce its scope 3 emissions i.e. from consumption of its hydrocarbon products. Santos is planning to recognise all abatement achieved by its Moomba CCS project against this net zero target. The issue with CCS projects generating ACCUs for trade is that it introduces double claiming risks. Double claiming “can happen if offset credits are issued to a project, but another entity (e.g. a government or private company) then counts the same GHG reductions towards its own GHG reduction goal”.<sup>15</sup>

ACCR understands that the Federal Government has structured the Safeguard Mechanism so that participants can sell ACCUs from onsite abatement projects into the ERF *and* count the abatement onsite against their baselines. This same carbon accounting loophole does not exist for the sale of CCS ACCUs to other customers. ACCR is of the view that double claiming risks are particularly acute in this scenario and that any trade of CCS ACCUs with third parties necessitates the addition of an equivalent sum of CO<sub>2</sub>-equivalent back onto the project proponent’s greenhouse inventory.

We appreciate that secondary market demand for CCS ACCUs will likely be limited due to “discretion among many buyers”<sup>16</sup> who will see these credits “providing a revenue stream that supports the continued use of fossil fuels” but it is still an important issue for the Minister to consider and address in the establishment of this methodology.

ACCR also sees a risk to proponents such as Santos. Whilst the Safeguard Mechanism rules currently accommodate double claiming when ACCUs are sold to the government, investors and the wider marketplace are becoming increasingly sophisticated and ambitious when assessing climate claims. These stakeholders may well hold different views to the Australian government when it comes to double claiming, considering the government has recently been ranked last out of 193 countries for climate action in an assessment of progress against the Sustainable Development Goals.<sup>17</sup>

## Proof of permanence

Within the draft method guide it is stated that the risk of leakage from CCS ACCU projects, also known as reversal, is considered “particularly low due to the characteristics of geological formations where CCS projects are likely to be located and strong regulatory frameworks”.<sup>18</sup> The sources cited for this low risk of reversal do include optimistic figures about the percentage of CO<sub>2</sub> that will remain permanently stored. However these assertions

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<sup>15</sup> Greenhouse Gas Management Institute and the Stockholm Environment Institute, “Securing Climate Benefit: A Guide to Using Carbon Offsets”, November 2019, p 28

<sup>16</sup> Angela McDonald Smith, “Green claims to be put under microscope”, AFR, July 4 2021, [Link](#)

<sup>17</sup> Sachs et al, “The Decade of Action for the Sustainable Development Goals”. Sustainable Development Report 2021

<sup>18</sup> Clean Energy Regulator, “Carbon Capture and Storage Method 2021 - Draft Simple Method Guide”, June 2021

are qualified: in the widely cited IPCC report from 2005, the figure given is in relation to “appropriately selected and managed reservoirs,” leaving an enormous range of possible outcomes if reservoirs are mis-sited or mismanaged.<sup>19</sup> These same caveats – requirements for careful site selection and ongoing monitoring – are also made in the IEA CCS report, another source cited in the draft method guide.<sup>20</sup> Other pertinent comments in the IPCC report are as follows:

“there is a lack of knowledge about the rate of physical leakage from different storage options including possibilities for accidental releases over a very long time period”<sup>21</sup>

“CO<sub>2</sub> storage is not necessarily permanent. Physical leakage from storage reservoirs is possible via (1) gradual and long term release or (2) sudden release of CO<sub>2</sub> caused by disruption of the reservoir.”<sup>22</sup>

Within the California government’s “Carbon Capture and Sequestration Protocol under the Low Carbon Fuel Standard” (CCS Protocol), for a CCS project to receive credits it must obtain Permanence Certification. Only “sites in which the fraction of CO<sub>2</sub> retained in the storage complex is very likely (greater than 90% probability of occurrence) to exceed 99% over 100 years post-injection will be eligible to receive Permanence Certification”.<sup>23</sup> As demonstrated in Figure 2, this permanence certification includes third party review by a geologist who must pass various conflict of interest provisions.<sup>24</sup> Whilst 100 years isn’t long enough to be deemed permanent, at least quantifiable parameters are provided, requiring proponents to prove duration, probability and proportion of captured CO<sub>2</sub>.

The definition of permanence provided in the draft method refers to various pieces of State and Federal legislation. It is assumed this is to avoid duplication of regulatory responsibilities, however this also introduces risk. As the Federal Government is seeking to subsidise these projects with a common, tradable certificate (i.e. an ACCU) for permanent storage of CO<sub>2</sub>, there should be a consistent set of criteria for demonstrating permanence. One Act referred to, the *South Australian Petroleum and Geothermal Energy Act 2000*, doesn’t even provide a definition of permanent storage in the context of providing a “Retention Licence” and neither do the corresponding regulations. The purpose of the South Australian legislation is to “regulate exploration for, and the recovery or commercial utilisation of,

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<sup>19</sup> “Carbon Dioxide Capture and Storage Special Report” (Intergovernmental Panel on Climate Change, 2005), 34, [https://www.ipcc.ch/site/assets/uploads/2018/03/srccs\\_wholereport-1.pdf](https://www.ipcc.ch/site/assets/uploads/2018/03/srccs_wholereport-1.pdf).

<sup>20</sup> International Energy Agency, “CCUS in Clean Energy Transitions,” *Energy Technology Perspectives*, 2020, 115.

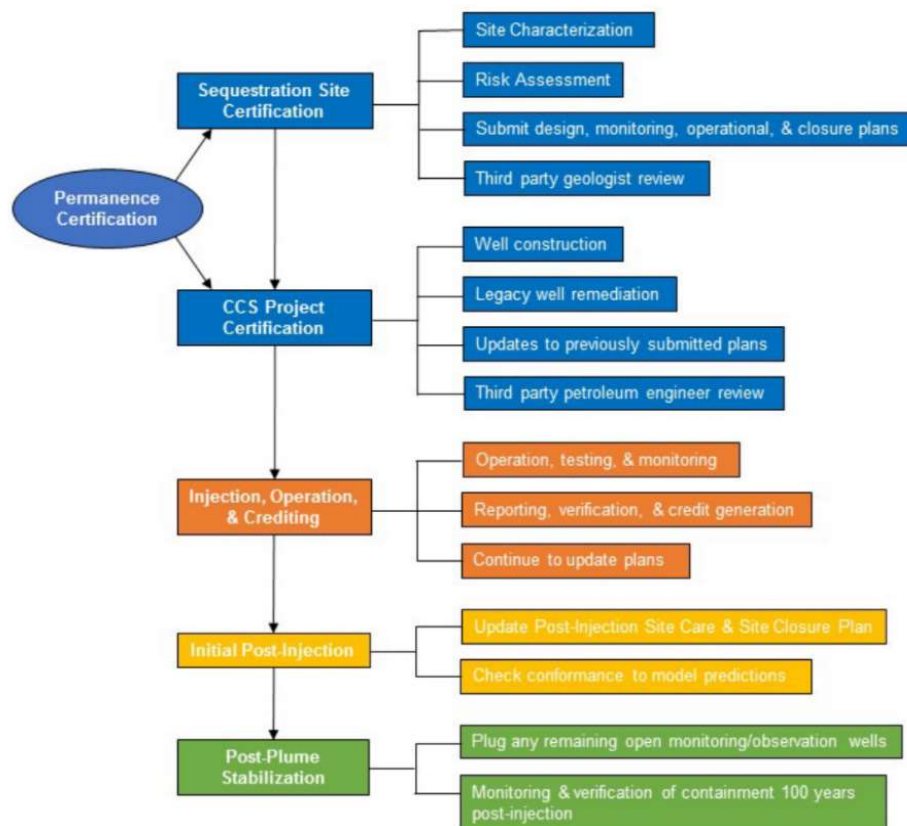
<sup>21</sup> “Carbon Dioxide Capture and Storage Special Report,” 377.

<sup>22</sup> “Carbon Dioxide Capture and Storage Special Report,” 385.

<sup>23</sup> California Air Resources Board, “Carbon capture and sequestration protocol under the low carbon fuel standard”, August 13 2018, p42

<sup>24</sup> California Air Resources Board, “Carbon capture and sequestration protocol under the low carbon fuel standard”, August 13 2018, p32

petroleum and certain other resources; and for other purposes”.<sup>25</sup> It was not established with climate mitigation and the associated need for permanent reductions of CO<sub>2</sub> in mind.



**Figure 2. California CCS Protocol**

**To conclude, if taxpayer funds are to be used to subsidise CCS projects, clear and nationally consistent requirements for the permanent storage of CO<sub>2</sub> in perpetuity must be imposed upon all project proponents.**

### **Project duration and long term liabilities**

The draft method guide states that project proponents are accountable for monitoring a project site during the 25 year crediting period and for a subsequent extended accounting period (EAP). Any reversals (i.e. CO<sub>2</sub> leakage) that occur during the crediting period or the EAP will reduce the number of ACCUs credited. The duration of the EAP will be project specific, and will in part depend on the location of the project and which government entity is regulating it. Importantly, it appears any reversals after the EAP will not be captured by this methodology and by then it is unclear if anyone would:

1. Have monitoring equipment in place to identify that reversals have occurred
2. Be able to quantify the sum of CO<sub>2</sub> that is lost; and

<sup>25</sup> Petroleum and Geothermal Act 2000 (SA)

3. Take accountability for the corresponding impact on Australia’s greenhouse gas inventory

Santos’ Carbon Storage Environmental Impact Report (EIR)<sup>26</sup>, which underpinned the South Australian government’s recent environmental approval for the Moomba CCS project,<sup>27</sup> stated:

“Reservoir modelling, informed by monitoring data, will be used to identify the point at which stored carbon is considered to be in storage with minimal risk of causing harm to identified sensitive receptors or becoming unacceptable fugitive greenhouse gas emissions (for the foreseeable geological future). At this point, monitoring can cease, relevant tenements handed back to the regulator, and regulation of the carbon storage activity can cease. This will be the point where effective geological sequestration of carbon has occurred.”

This contrasts heavily with the requirements of the Californian CCS Protocol, which states “after injection is complete, the CCS Project Operator must continue to conduct monitoring as specified in this section and Post-Injection Site Care and Site Closure Plan for a minimum of 100 years.”<sup>28</sup>

Should CO<sub>2</sub> leakage occur after the EAP, it is unclear who would have accountability. For the Chevron Gorgon project we note that the WA Government assumed “post-closure long term common law liability”,<sup>29</sup> with the Federal Government agreeing to assume 80% of the liability.<sup>30</sup>

**If the Federal Government intends to assume long term liability (post EAP) for CCS projects under the ERF method, the economic risks this introduces must be assessed by the Minister and Treasury. This is also the case if such liabilities are being transferred to state governments.**

### **Monitoring methods - estimating reversals/fugitive emissions**

The draft method states that fugitive emissions from a storage site are to be “estimated from data obtained to satisfy monitoring and verification obligations under each relevant authority for the project”.<sup>31</sup> It emphasises that for proponents with reporting obligations under the National Greenhouse and Energy Reporting (NGER) Act, the same methodologies

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<sup>26</sup> Santos, “Environmental Impact Report, Carbon Storage”, March 2021, p21

<sup>27</sup> Department for Energy and Mining - Energy Resources, “Cooper Basin Carbon Storage - project summary and approvals”, [link](#)

<sup>28</sup> California Air Resources Board, “Carbon capture and sequestration protocol under the low carbon fuel standard”, August 13 2018, p 103

<sup>29</sup> Department of Mines and Petroleum (WA), “Gorgon CO<sub>2</sub> Injection Project Regulatory Compliance”, [link](#)

<sup>30</sup> Department of Mines and Petroleum (WA), “Gorgon CO<sub>2</sub> Injection Project Regulatory Compliance”, [link](#)

<sup>31</sup> Carbon Credits (Carbon Farming Initiative - Carbon Capture and Storage) Methodology Determination 2012 (draft), Section 24

informing fugitive calculations under the ERF method are to be used for NGER submissions. We note that the NGER method for fugitive emissions from carbon storage sites again defers to the requirements under the licence, lease or approval that has enabled the CO<sub>2</sub> injection project,<sup>32</sup> meaning that State and Federal regulators are setting expectations around monitoring regimes. When we refer to Santos' approved EIR for the Moomba CCS, it states that "monitoring systems will be selected to meet required environmental and assurance objectives based on their technical feasibility and economic value for the information they provide",<sup>33</sup> followed by a potential list of monitoring methods. The exact instrumentation and rigour that will be applied to monitoring systems at the Moomba CCS project is unclear and it is concerning that there is inferred optionality and that this plan was approved without such specificity.

Again, the contrast with the Californian CCS Protocol is stark. It stipulates a requirement for "continuous recording devices to monitor: the injection pressure, the rate, volume and/or mass, and temperature of the CO<sub>2</sub> stream, and the pressure on the annulus between the tubing and the long string casing and annulus fluid volume" as well as "alarms and automatic surface shut-off systems (e.g. automatic shut-off, check valves) for wells, or other mechanical devices that provide equivalent protection."<sup>34</sup>

Proponents of CCS ERF projects will be motivated to minimise their exposure to the long-term costs and maintenance of accurate metering and monitoring systems at storage sites however this method will be seriously compromised if there is too much flexibility made available to proponents.

**The method should impose a nationally consistent, prescriptive monitoring regime for CO<sub>2</sub> storage sites in order to maximise chances of detecting, mitigating and quantifying leakage 100 years post injection and beyond.**

### **Withheld ACCUs throughout crediting period**

The draft method guide states that the "proposed CCS method provides for three per cent of ACCUs to be withheld refundable on evidence of successful site closure issued by the regulating authority."<sup>35</sup> Fugitive emissions that occur during the EAP will be deducted from these withheld ACCUs. The percentage of withheld ACCUs is the same for all project proponents, regardless of project risk attributes. The Californian CCS Protocol takes a risk-based approach to the setting of a percentage contribution to a "buffer account",

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<sup>32</sup> National Greenhouse and Energy Reporting (Measurement) Determination 2008, Subdivision 3.4.4.2

<sup>33</sup> Santos, "Environmental Impact Report, Carbon Storage", March 2021, p22

<sup>34</sup> California Air Resources Board, "Carbon capture and sequestration protocol under the low carbon fuel standard", August 13 2018, p83

<sup>35</sup> Clean Energy Regulator, "Carbon Capture and Storage Method 2021 - Draft Simple Method Guide", June 2021



factoring in the financial, social, management, site and well integrity risks of specific projects, with a maximum of 12%.<sup>36</sup>

Insufficient justification has been provided for the nomination of 3% for these purposes, especially considering the track record of CCS within Australia and internationally. This low retention rate transfers risk from CCS project proponents to the Australian Government and ultimately Australian taxpayers.

### **Is Santos' Moomba CCS project EOR?**

We again draw attention to Santos' proposed Moomba CCS project due to the repeated statements that Santos has made about the need for this ERF methodology to enable the progression of the project.

“We will need an approved methodology for CCS to be in place before we can take a final investment decision on our Moomba CCS Project because carbon credits are essential to make it stack up economically with the cost of abatement still at around A\$30 per tonne. Our aim is to drive these costs lower with scale and experience, but the first step is to generate carbon credits to enable initial development.” Santos CEO and Managing Director, Kevin Gallagher<sup>37</sup>

The feed gas at Santos' Moomba Gas Plant has a very high CO<sub>2</sub> content, as much as 47% CO<sub>2</sub> by mole<sup>38</sup>, most of which is removed to reach domestic gas pipeline specifications. To date, this CO<sub>2</sub> has primarily been vented to the atmosphere.

Santos has historically injected unprocessed gas into the Cooper Basin for EOR.<sup>39</sup> Since at least 2018, Santos has been exploring the diversion of the CO<sub>2</sub> vent stream for EOR in the Cooper and Eromanga Basins<sup>40</sup> (see Figure 3). In Santos' 2020 Climate Change Report, it stated that the appraisal activities for Moomba CCS “assessed the potential for improvements in oil recovery and associated CO<sub>2</sub> storage from reservoirs in the Cooper Basin”.<sup>41</sup>

When CO<sub>2</sub> is used for EOR, its retention rates in reservoirs can be as low as 28%<sup>42</sup>. Santos has referred to a capture rate *up to* 50%<sup>43</sup>. Additionally, because it is directly leading to

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<sup>36</sup> California Air Resources Board, “Carbon capture and sequestration protocol under the low carbon fuel standard”, August 13 2018, p137

<sup>37</sup> Santos, “Santos welcomes \$1.9 billion technology-neutral investment to reduce carbon emissions”, media release, 17 September 2020

<sup>38</sup> Santos, “Environmental Impact Report: Carbon Storage”, March 2021, p18

<sup>39</sup> Santos, “Environmental Impact Report: Production and Processing Operations”, September 2016, p

<sup>40</sup> Santos, “Santos Cooper/Eromanga Basin CCUS”, DEM 2018 Oil and Gas Roundtable, November 2018

<sup>41</sup> Santos, “2020 Climate Change Report”, February 2020

<sup>42</sup> Olea, R., “CO<sub>2</sub> retention rates in enhanced oil recovery”, Journal of Petroleum Science and Engineering, vol 123, p23-28, 2015

<sup>43</sup> Santos, “Environmental Impact Report: Carbon Storage”, March 2021, p14

higher hydrocarbon output, the greenhouse gas benefit from the CO<sub>2</sub> injection activity is further compromised and potentially entirely eradicated.

Since 2020 Santos has disclosed little about the intended role of EOR at the Moomba Gas Plant. If it is intended that Santos will concurrently seek to permanently sequester CO<sub>2</sub> in some reservoirs, and use CO<sub>2</sub> for EOR in others, we would expect the Minister to be attuned to the potential risks and for Santos' CCS Project Plan to clearly express how the CO<sub>2</sub> streams for these different end uses will be accurately and separately metered.

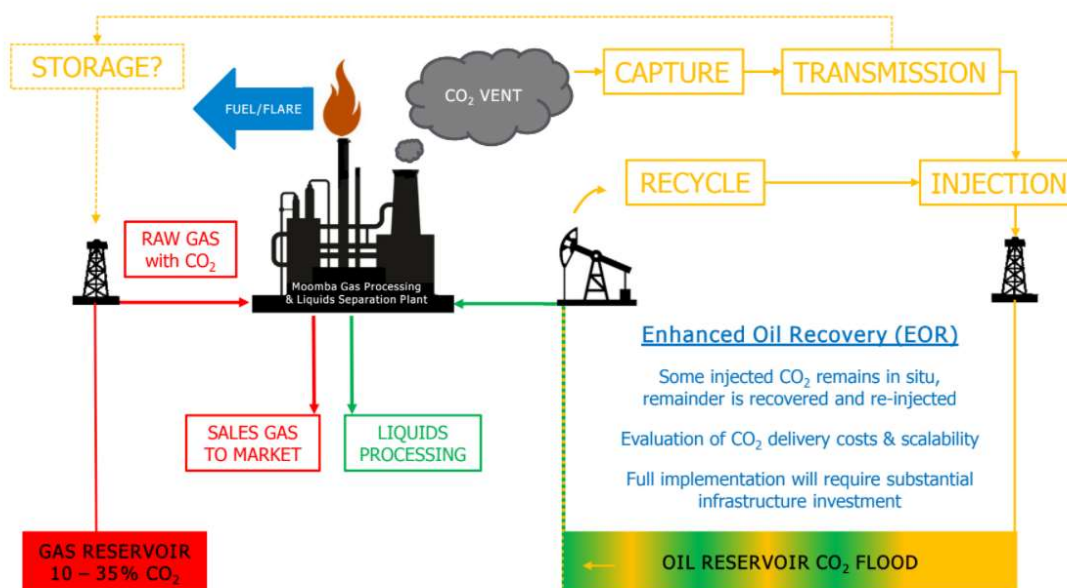


Figure 3: 2018 Santos schematic for EOR with CO<sub>2</sub> at Moomba Gas Plant<sup>44</sup>

### Additionality provisions - government funding

We note the additionality provisions for the CCS method, particularly the government funding provision. To date, Santos' Moomba CCS project has received:

- In 2007 - \$10 million from the Federal Government to fast track the development of the Moomba Carbon Storage Concept<sup>45</sup>
- In 2021 - \$15 million from the Federal Government's Carbon Capture Use and Storage Development Fund<sup>46</sup>

In June 2021 Santos stated that the Moomba CCS project will cost approximately A\$210 million<sup>47</sup>. Without inflation adjustment, the combined federal government contributions

<sup>44</sup> Santos, "Santos Cooper/Eromanga Basin CCUS", DEM 2018 Oil and Gas Roundtable, November 2018

<sup>45</sup> Santos, "Funding commitment for Moomba carbon storage", media release, 20 November 2007

<sup>46</sup> Santos, "Moomba CCS Project boosted By A\$15Million grant from carbon capture use and storage development fund", June 2021

<sup>47</sup> Santos, "Moomba CCS Project boosted By A\$15Million grant from carbon capture use and storage development fund", June 2021

represent almost 12% of this project cost. Taxpayers have already made a material contribution to this project.

Additionally, in April 2021 the Federal Government announced the State Energy and Emissions Reduction Deal with the South Australian Government, including “\$400 million in Commonwealth funding for investment in priority areas such as carbon capture and storage, electric vehicles, hydrogen and other emissions reduction projects”.<sup>48</sup> It is unclear how these funds will be spent but as a prominent CCS project in South Australia, it is possible that the Moomba CCS project will be a beneficiary in some way.

In its attempt to amend the Australian Renewable Energy Agency rules to enable grant funding of CCS, the Federal Government is clearly committed to channelling more taxpayer funds into CCS projects. It will be important to monitor further funding plans and how this might benefit CCS projects that are planning to or already contracted to the government via the ERF.

We recognise that these grant schemes are not listed in the Carbon Farming Initiative Rule, which would exempt project proponents from receipt of ERF funds, however we do emphasise that the quantum of government funds received by these projects must be monitored and assessed against the benefits delivered to the taxpayer.

### **Conflict of interest and undue influence**

The behaviour and influence of companies and their industry lobby groups on government decision-making is a key focus for ACCR. Analysis from the Centre for Public Integrity (CPI) has identified that the energy and resources industry has collectively made the greatest sum of donations to political parties over the last 20 years, noting that this buys “undue influence”.<sup>49</sup> Concerns have grown in Australian public life about the over-representation of gas industry participants in government appointments,<sup>50</sup> particularly in regard to the National COVID-19 Commission (NCC),<sup>51</sup> which proposed the Gas-Fired Recovery Plan that was described by former Prime Minister Malcolm Turnbull as “driven by gas industry rent-seekers looking for subsidies”.<sup>52</sup>

In light of recent appointments to the Emissions Reduction Assurance Committee (ERAC), the proposed CCS ACCU methodology raises serious questions in this vein. The number of new ERAC appointees closely associated with high emitting industries was already an issue,

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<sup>48</sup> Department of Industry, Science, Energy and Resources, “Bilateral energy and emissions reduction agreements”, April 2021, [link](#)

<sup>49</sup> “Industry Political Donations and Disclosable Payments Case Study: The Resources and Energy Industry” (Centre for Public Integrity, 2020), 1, [Link](#)

<sup>50</sup> Michael Mazengarb, “Morrison and Taylor Continue to Stack Government Bodies with Fossil Fuel Allies,” *RenewEconomy*, January 2021, [Link](#).

<sup>51</sup> Katharine Murphy, “Zali Steggall Increasingly Concerned about Morrison Government’s Covid Commission,” *The Guardian*, May 2020, [Link](#).

<sup>52</sup> Phillip Coorey, “Malcolm Turnbull at the AFR Energy Summit Says Scott Morrison Must Pivot on Emissions,” *Australian Financial Review*, November 2020, [Link](#).

but the position of David Byers as both the new chair of ERAC and the head of a think tank focused entirely on promoting CCS is particularly concerning.<sup>53</sup> Mr Byers' history as a senior executive at both the Australian Petroleum Production and Exploration Association (2011-15) and the Minerals Council of Australia (2016-18) only enhances the perception that the CCS ACCU methodology is tailor made for the Australian fossil fuel industry, who have for many years used the possibility of future CCS development to deflect the stark reality of heavy carbon pollution in the here and now.

We are very happy to clarify any of our comments in this submission and trust that the ERAC and the Minister will consider all risks we have identified when considering the advancement of this methodology.

Sincerely,

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<sup>53</sup> "Coalition Quietly Adds Fossil Fuel Industry Leaders to Emissions Reduction Panel," the Guardian, January 2021, [Link](#).