

The Large Emitters Policy and the Onshore Gas Industry – What you need to know

Introduction

The Northern Territory (NT) Government has released its policy, 'Greenhouse Gas Emissions Management for New and Expanding Large Emitters' (the Large Emitters Policy).

The Large Emitters Policy identifies the Government's minimum requirements for how greenhouse gas emissions are to be managed from new, or expanding, industrial and land use development projects.

It is one of a range of policies developed to support the NT's target of net zero greenhouse gas emissions by 2050.

Projects that are covered by the Large Emitters Policy are required to prepare a Greenhouse Gas Abatement Plan to demonstrate how the project will contribute to the Territory's net zero emissions target.

The Large Emitters Policy provides proponents with flexibility for how they will achieve emissions reduction, reflecting that the technical and commercial feasibility of emissions reduction is likely to improve rapidly through scientific advancement and as global carbon policy settings evolve.

The Large Emitters Policy ensures there is consistency and transparency in how Government works with project proponents to reduce greenhouse gas emissions. Proponents are provided with guidance on what is expected of their project and the community has the assurance that the Territory is tracking towards its net zero greenhouse gas emissions by 2050 target.

Application of the Large Emitters Policy

- The Large Emitters Policy applies to new projects and expansion of existing projects that are considered to be 'large emitters'. The Policy is not retrospective. Existing projects or projects that are currently being assessed by the Government are not subject to the Policy.
- The Large Emitters Policy defines 'large emitters' as projects that meet or exceed emissions thresholds:
 - The industrial project threshold is 100 000 tonnes carbon dioxide equivalent (tCO₂-e) (scope¹ 1) in any financial year over the life cycle of a project.

¹ For national reporting purposes, emissions are classified into 'scopes' to delineate between sources and reporting responsibilities. These are explained further in the Large Emitters Policy.

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- The land use project threshold is 500 000 tCO₂-e (scope 1) generated from a single clearing action, or cumulatively from multiple land clearing actions on a property over time.
- A project which is required to obtain an environmental authorisation under Territory legislation to proceed *and* meets one of the thresholds contained in the Policy is required to meet the obligations of the Policy.
- Projects covered by the Policy are required to develop a Greenhouse Gas Abatement Plan (GGAP) which will demonstrate how scope 1 and scope 2 emissions (direct and indirect) will be managed and reduced.
- A GGAP must establish a project's overarching emissions target and set out interim targets that establish a trajectory for achieving the long-term target.
- The Large Emitters Policy establishes net zero emissions by 2050 as the default expectation for a project's target, but provides flexibility to proponents to propose alternatives where justification is provided.
- A GGAP will form part of the approving Minister's consideration of a project and may be captured by conditions of an environmental authorisation, making the GGAP enforceable.

Additional information for the onshore gas industry

The Large Emitters Policy applies to development projects that require an environmental authorisation to be granted under Territory environmental legislation. This could include onshore petroleum activities requiring approval under the *Environment Protection Act 2019* or the *Petroleum (Environment) Regulations 2016*.

The emissions threshold (100 000 tonnes CO₂-e) will be applied to all of an interest holder's onshore petroleum activities in a given year, ensuring that cumulative impacts can be assessed and managed, as required by the *Environment Protection Act 2019* and *Petroleum (Environment) Regulations 2016*.

The Large Emitters Policy applies to all onshore petroleum activities, from exploration and appraisal to production and decommissioning.

If a project is captured under the Large Emitters Policy a proponent should submit a GGAP for assessment as part of the project's usual Environment Management Plan assessment process. This will help facilitate a streamlined assessment process. The GGAP will be considered by the responsible Minister.

Outcomes of stakeholder consultation

A draft of the Large Emitters Policy was circulated to key stakeholders at the end of 2020 for review and comment.

The outcomes of the consultation process have been summarised into a Consultation Summary Report. The report also provides feedback on the main key issues raised by stakeholders, providing supporting information for the final policy position of the Large Emitters Policy.

The Consultation Summary Report can be found at the Department of Environment, Parks and Water Security's website.