



cassowary
credits

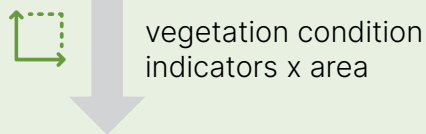
Stacking Cassowary Credit

What does stacking mean?

Stacking refers to the measurement of different environmental services from a single parcel of land to generate separate environmental credits. Each credit type can be sold separately, or they may be sold together.

Projects must meet very strict additionality criteria to generate stacked credits. This means there must be separate and independent outcomes able to be measured for both credit types, with no double-counting of outcomes.

Cassowary Credits Project



Condition Improvement Units



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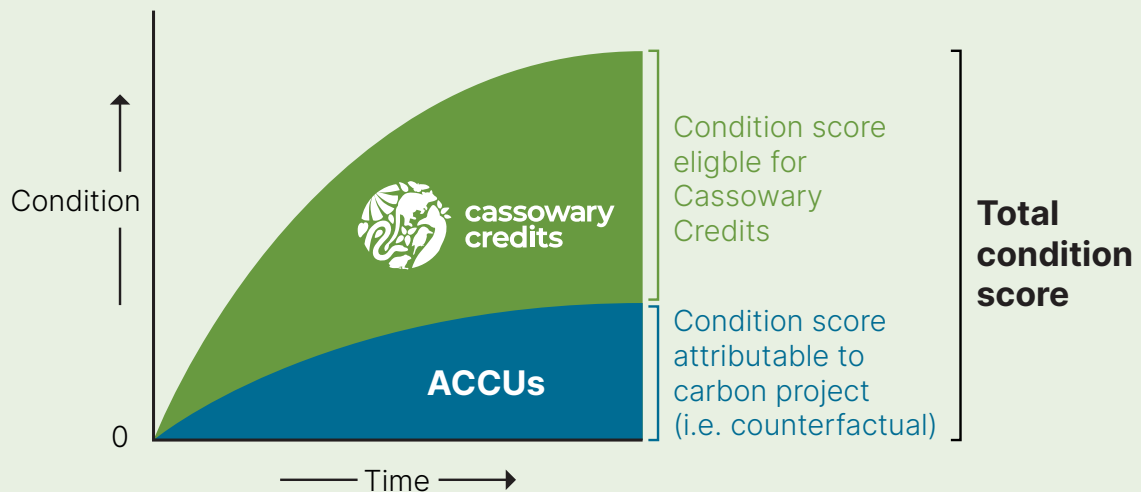
Australian Carbon Credit Unit Scheme Project



Tonnes of carbon dioxide equivalent (tCO₂-e) saved from release

Australian carbon credit units (ACCUs)

Stacked Project



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(counterfactual condition score from participation in other environmental markets deduction applied)

ACCUs

(according to FullCAM)

How does stacking work?

This flowchart below is an example of the process to stack an ACCU project that uses the Reforestation by Environmental and Mallee Planting Methodology with a Cassowary Credit project that uses the Rainforest Replanting Methodology.



Proponent registers an ACCU project using the Reforestation by Environmental and Mallee Planting Methodology with the Clean Energy Regulator. All eligibility requirements must be met, including for newness and additionality.



Proponent then registers the same project area using the Rainforest Replanting Methodology in the Cassowary Credit Scheme with Eco-Markets Australia. All eligibility requirements must be met, including for newness and additionality.

Ensuring additionality



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Because the project is registered in the ACCU scheme first, this affects additionality requirements in the Cassowary Credit Scheme. To meet additionality requirements in the Cassowary Credit Scheme, projects must deliver benefits to rainforest biodiversity that would not have occurred without the project. Because there may be some benefit to rainforest biodiversity from conducting the ACCU project, proponents will need to:

- i. deliver and measure additional biodiversity outcomes above and beyond what will occur from conducting the ACCU project. For example, proponents will likely need to plant a higher density and diversity of native plants than the minimum requirements under the ACCU scheme to deliver the biodiversity outcomes required for Cassowary Credits; and
- ii. not account for the outcomes from the ACCU project in the Cassowary Credit project. Proponents do this by applying a counterfactual deduction according to the Rainforest Replanting Methodology to account for the benefit already delivered as a result of conducting the ACCU project.



Following approval by both the Clean Energy Regulator and Eco-Markets Australia, project activities can commence, ensuring minimum requirements for both the ACCU scheme and the Cassowary Credit Scheme are met.



Once requirements for both schemes are met, including for monitoring and reporting, ACCUs can be calculated using FullCAM and Cassowary Credits can be calculated for any additional biodiversity benefit, according to the Rainforest Replanting Methodology.

How can you be sure the credits aren't being double counted?

In environmental markets, the counterfactual scenario refers to what could have happened in the absence of the environmental market project. An outcome that would have happened anyway, even if the project didn't occur, can't contribute to the credits generated by that project.

Example

Planting trees as part of a Reforestation by Environmental and Mallee Planting ACCU project could deliver some biodiversity outcome. This is treated as part of the counterfactual scenario in the Cassowary Credit project because it would have happened even without the Cassowary Credit project. This amount is quantified in the Rainforest Replanting Methodology and, because it's not an additional outcome, it is not eligible to be included in the calculation of Cassowary Credits.

To ensure that only the biodiversity outcome resulting from the Cassowary Credit project contributes to the calculation of Cassowary Credits, a counterfactual deduction is applied (i.e. the condition score achieved by an ACCU project is subtracted from the condition score achieved by a Cassowary Credit project).

What are counterfactual scenarios?

Refers to what would've happened without the project

The counterfactual scenario is important in a stacked environmental market project, because outcomes from the first project can't also be counted as an outcome from the second project. To be eligible to conduct a stacked ACCU and Cassowary Credit project, both schemes require that any biodiversity outcome delivered by the ACCU project are not also counted in the calculation of Cassowary Credits. The biodiversity outcomes from the ACCU project are part of the counterfactual scenario in the Cassowary Credit project.

In a stacked ACCU-Cassowary Credit project, the Rainforest Replanting Methodology includes a counterfactual scenario that calculates what component of the overall project biodiversity outcome is attributable to the ACCU project. This is deducted from the overall project biodiversity outcome to determine what can be attributed to the Cassowary Credit project. This ensures that any rainforest biodiversity outcome achieved as a result of the ACCU project is not double-counted in the calculation of Cassowary Credits.

More information

The accounting process in Cassowary Credits, including the application of the counterfactual deduction, is detailed in **Section 6 Project Accounting** and **Section 6.2 Quantify Creditable Condition in the Rainforest Replanting Methodology**.

Technical details describing how the counterfactual score for participation in other environmental markets is derived in Cassowary Credits are outlined in **Section 12.2 Counterfactual Condition Score for participation in other environmental markets** in the Methodology Explanatory Statement.