

Come clean

How the Emissions Reduction Fund came to include carbon capture and storage

Freedom of Information documents show that when designing the ERF CCS method, the Clean Energy Regulator consulted almost exclusively with fossil fuel companies and big emitters, while actively excluding independent researchers.

Members of the Emissions Reduction Assurance Committee (ERAC) participated in the CCS method co-design in their industry roles and then advised government as ERAC members on the method they had helped design.

Polly Hemming, Rod Campbell, Mark Ogge, Alia Armistead

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Summary

In November 2021, Australia's Energy Minister Angus Taylor stood at the COP26 climate summit in Glasgow with the CEO of oil and gas company Santos, to jointly announce the company's final investment decision on its Moomba Carbon Capture and Storage (CCS) project. The investment had been "enabled" by the registration of the project under the Federal Government's Emissions Reduction Fund (ERF).

Using a climate summit to promote a failed technology on behalf of a fossil fuel company drew plenty of criticism for Minister Taylor. But the Minister was just the tip of the iceberg. More important than this single announcement are the agencies and years of policy development that led to his Glasgow appearance. Freedom of Information (FOI) documents show how fossil fuel companies, lobby groups and major emitters influenced these processes and public agencies.

Minister Taylor's announcement was facilitated by the development of the CCS carbon credit method, which was overseen by the Clean Energy Regulator (CER).

The CER is an independent statutory authority that oversees both the development and administration of carbon credit methods. Its role in both development and administration has raised conflict of interest concerns and calls for an official audit.

In 2021, the CER announced the development of a carbon credit method for CCS. The development of this method lacked transparency and was co-designed by the industries that stand to benefit from it.

FOI documents reveal that, despite the CER's public commitment to engage independent scientists and researchers in the development of its methods, the CER consulted almost exclusively with the fossil fuel industry and other stakeholders with an interest in the CCS method. Participants included Chevron, Origin, Santos, Woodside, Exxon Mobil, BHP, BP, Loy Yang B Operations (owned by AGL), Shell, APPEA, the Minerals Council of Australia, Glencore and many other fossil energy companies, major emitters, and their representative groups (see full FOI list in Appendix).

Fossil fuel companies not initially invited were able to participate on request. A request from an ExxonMobil representative to participate in the CCS method co-design process was approved by the CER on the same day that the request was made.

By contrast, the CER actively excluded participation by independent, non-industry parties. The Australia Institute was rejected from participation despite making multiple

requests to join the session. Reasons for the rejection were given three months after the final request had been made.

The CER's justification for excluding independent researchers and civil society groups from the CCS method development was that the ERF methods are overseen by the independent Emissions Reduction Assurance Committee (ERAC).

The ERAC is a committee appointed by the Minister, tasked with ensuring the integrity of the carbon credit methods developed by the CER. FOI documents show that ERAC members hold paid positions with industry groups contrary to the relevant legislation. These members not only represented industries with interests in CCS at the time of their appointment to ERAC, but some were actively involved in the development of the CCS method on behalf of industry. They later participated in ERAC discussions and decisions evaluating the method that they had helped to design.

Specifically, during the CCS method development, ERAC chair David Byers was the CEO of CO2CRC, a CCS research group whose partners include Santos, Shell, Woodside and Chevron. Mr Byers participated in the CCS co-design process on behalf of CO2CRC, while also sitting as an ERAC member. While Mr Byers abstained from the final ERAC decision on the CCS method, for most of the time the method was under development his management of this potential conflict was not to abstain from ERAC discussions, but to withdraw from the CO2CRC CCS policy working group.

Another ERAC member is Margie Thomson, also the CEO of the Cement Industry Federation. CCS has explicitly been identified by the Commonwealth as a means to "reduce emissions in hard to abate sectors such as cement production".

Ms Thomson disclosed a potential conflict of interest in July 2020 but went on to participate in the CCS method co-design process on behalf of the Cement Industry Federation. ERAC minutes show that Ms Thomson did not disclose this potential conflict any time throughout the development of the method, nor stand down from deliberations and decisions about the CCS method.

The Australia Institute makes no allegation of illegality by ERAC members.

As a final gesture of opacity, the CER has refused a request to publish its reasons for approving the Santos CCS project under the new method, despite the project appearing to be ineligible for approval based on Santos' own public documents.

Despite the CER's assertions neither the CER nor the ERAC can be credibly seen by the public to have overseen a transparent or independent process, nor adequately held the CCS method process to account.

The experience of the CCS method development raises serious questions about the governance of both the CER and the ERAC in relation to the development and integrity of forthcoming Emissions Reduction Fund (ERF) methods.

Introduction

In November 2021, Australia's Energy Minister Angus Taylor stood at the COP26 climate summit in Glasgow with the CEO of oil and gas company Santos, to jointly announce the company's final investment decision on its Moomba Carbon Capture and Storage (CCS) project. The investment had been "enabled" by the registration of the project under the Federal Government's Emissions Reduction Fund (ERF), making it eligible to generate carbon credits that can be sold to the government or other buyers.¹

CCS is a controversial practice. For decades it has been promoted by fossil fuel industries as a way to make their businesses less emissions-intensive and therefore provide justification for their continuation in a carbon-constrained world. Despite this long-term advocacy and countless billions of dollars of public and private money given to CCS research and development, there are only a handful of CCS facilities operating around the world. Every target set for CCS, whether it be numbers of projects built or tonnes of emissions sequestered, has been missed.² In Australia, at least \$1.3 billion in subsidies have resulted in zero fully operational projects.³

It is in this context that Minister Taylor promoted a fossil fuel company's CCS project at an international climate summit aimed at spurring global climate action. This did not go unnoticed and was widely condemned in the media. Critics included former Prime Minister Malcolm Turnbull:

Look at the Australian stand – you've got a gas company highlighted apparently at the insistence of the energy minister, who thinks that our energy policy should be all about burning gas. The whole object is to stop burning fossil fuels.⁴

What commentators and the Australian public may not be aware of when they saw the climate summit announcement is that behind Angus Taylor at Glasgow was not just the

¹ Taylor (2021) *Australia's first CCS hub to be operational by 2024*, <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australias-first-ccs-hub-be-operational-2024>

² Browne (2018) *Sunk costs: Carbon capture and storage will miss every target set for it*, <https://australiainstitute.org.au/report/sunk-costs-carbon-capture-and-storage-will-miss-every-target-set-for-it/>

³ Browne & Swann (2017) *Money for nothing*, <https://australiainstitute.org.au/report/money-for-nothing/>

⁴ Moreton (2021) *Australia puts fossil fuel company front and centre at Cop26*, <https://www.theguardian.com/australia-news/2021/nov/03/australia-puts-fossil-fuel-company-front-and-centre-at-cop26>

Santos Moomba CCS diorama, but years of policy development by Australian government agencies.

This report focuses on the ERF carbon credit method for CCS that enabled the Moomba CCS project to go ahead, and documents who was involved in its development. It illustrates that the processes and public agencies that led to the Glasgow announcement were strongly influenced by fossil fuel industries and major emitters.

While this report focuses specifically on issues of integrity and independence within the Clean Energy Regulator and the Emissions Reduction Assurance Committees (the bodies tasked with developing the CCS method), it joins a growing body of work highlighting the systemic problems with Australian emissions offsets and at a broader level shows the level of influence fossil fuel companies and other big emitters have on Australia's climate policies.

The ERF and first steps to a CCS carbon credit method

The Emissions Reduction Fund was established in 2014 by the Abbott Government as the centrepiece of its Direct Action policy, following the repeal of the Gillard Government's carbon pricing mechanism. Direct Action and the ERF aimed to provide financial incentives for polluters to reduce emissions, with the ERF building on the existing Carbon Farming Initiative (CFI) framework that had been established in 2011.

The CFI was a domestic land-based offset scheme that aimed to incentivise emissions reductions in sectors that were not covered by the carbon pricing mechanism (particularly agriculture and land use). When the carbon price was repealed, all existing CFI projects were automatically transitioned to the ERF. However, the ERF was also extended to include carbon credit methods for industrial activities such as capture and destruction of coal mine fugitive emissions, industrial energy efficiency and capture and combustion of biogas from wastewater.

While fossil fuel industries' use of CCS as a public relations device has a long history, the first real steps towards its inclusion in the ERF appear to have been taken in late 2019 or early 2020.

THE KING REVIEW AND CHANGES TO THE ERF

In September 2019 Minister for Energy and Emissions Reduction Angus Taylor commissioned a panel to investigate opportunities to incentivise low-cost abatement from across the economy, with a focus on the industrial, manufacturing, transport and agriculture sectors, and energy efficiency. The chair of this panel was Grant King, former Managing Director of fossil gas producer Origin Energy and former president of the Business Council of Australia (BCA).⁵

The subsequent *Report of the expert panel examining additional sources of low cost abatement* (also known as the King Review) made a number of recommendations that

⁵ Grant King was president of the BCA during its campaign against climate ambition, when it claimed a 45% emissions reduction target would be "economy wrecking".

would make the ERF more accessible for industry.⁶ Among these recommendations was that a carbon credit method for CCS be developed.

The review also recommended that industry should be more heavily involved in the development of carbon credit methods, despite the risk for conflicts of interest that this would create. The Government accepted 21 of the Review's 26 recommendations. Despite CCS's widespread failure to capture emissions, all CCS-related recommendations were accepted.^{7,8}

In its response to the King Review the Government stated:

The Government agrees that giving industry greater opportunity to support the development of new methods would encourage innovation and new method development.

In response to the Panel's recommendation, the Government has already given industry early-stage involvement in the initial scoping of a Carbon Capture and Storage/Carbon Capture, Use and Storage (CCS/CCUS) method.

This response and FOI documents indicate that the government had already been progressing a CCS method and consulting industry on its design before they had accepted the recommendations of the panel. Santos itself has publicly stated that it has been 'consulting' with the Department of Industry, Science, Energy and Resources (DISER) on a CCS method since March 2020.^{9,10}

While the Government only accepted the recommendations of the King Review in May 2020, in April 2020 DISER had already invited Santos, Chevron and industry-backed CCS research and lobby group CO2CRC to present at a CCS/CCUS method workshop (Figures 1 and 2).

⁶ DISER (2020), *Report of the Expert Panel examining additional sources of low cost abatement*, <https://www.industry.gov.au/sites/default/files/2020-05/expert-panel-report-examining-additional-sources-of-low-cost-abatement.pdf>

⁷ Browne (2018) *Sunk costs: Carbon capture and storage will miss every target set for it*, <https://australiainstitute.org.au/wp-content/uploads/2020/12/P546-Sunk-costs-WEB.pdf> ; Swann (2018) *Gorgon-tuan Problem*, <https://australiainstitute.org.au/wp-content/uploads/2020/12/P635-Gorgon-tuan-Problem-Web.pdf>

⁸ It appears that the CCS method was initially a blended CCS/CCUS method. A CCUS method is currently under development by the Clean Energy Regulator.

⁹ Santos (2020) Santos welcomes \$1.9 billion technology-neutral investment to reduce carbon emissions, <https://www.santos.com/news/santos-welcomes-1-9-billion-technology-neutral-investment-to-reduce-carbon-emissions>

¹⁰ Prior to the Clean Energy Regulator taking carriage of ERF method development, DISER was tasked with developing methods – including the proposed CCS/CCUS method.

Figure 1: FOI – DISER– agenda for CCUS workshop

Carbon Capture and Storage Workshop	
Location:	s22 video.industry.gov.au , or dial s22
Date:	21 April 2020
Time:	10:00am – 3:00pm
10:00am	Introduction and welcome Department of Industry, Science, Energy and Resources
10:10am	s22
10:40am	Opportunities for new CCS s22 Santos
11:10am	CCS in Australia CO2CRC
11:40am	Panel Discussion s22 s22 Santos CO2CRC

Figure 2: FOI – DISER– correspondence to participants in the CCUS workshop

V0

Hi s22 – just to let you know s22 will be making the presentation on behalf of Santos. s22 is the Vice President of Energy Solutions at Santos, the team that is leading the CCS project.

Thanks



s22
22
Santos Limited, 60 Flinders Street, Adelaide SA, 5000
s22
 [santos.com](https://www.santos.com)

From: s22

Sent: Monday, 20 April 2020 2:55 PM

To: s22 @cleanenergyregulator.gov.au: s22

@chevron.com;

s22 @csiro.au: s22 i@co2crc.com.au

Subject: [EXT]: CCUS Workshop [SEC=UNCLASSIFIED]

Good afternoon,

Thank you again for agreeing to present at the CCUS Workshop tomorrow.

I have attached two images to demonstrate how to share your presentation. To start your presentation please click the button that is circled in the first image. That will then bring up the screen showed in the second image, this lets you choose whether you want to share your entire screen or a single application. Once you have decided which screen simply press share.

If you have any questions please feel free to contact me.

Kind regards,

s22

Executive Assistant to

Chris Johnston, General Manager, Climate Change Policy Branch, Climate Change Division

Department of Industry, Science, Energy and Resources

Source: DISER (2021) Disclosure Log Number: 21/002/67356

Santos continued to engage heavily with DISER after the April CCS workshop. On 4 June 2020, a Santos Representative met with a DISER representative via teleconference. Meeting notes state that Santos indicated that the Moomba project would not go ahead without ERF funding. The meeting notes also say ‘Investigate how long a gap can exist between FID and project commencement under the ERF’ and that Santos should be invited on to the CCS method technical working group.

Figure 3: FOI – DISER– meeting notes

Meeting note – 4/6/2020

Teleconference with: Santos

Department of Industry, Science, Energy and Resources attendees: s22

Santos attendees: s22 Manager Policy & Regulatory Affairs, Government & Public Affairs

Note taker: ss22

Key Points

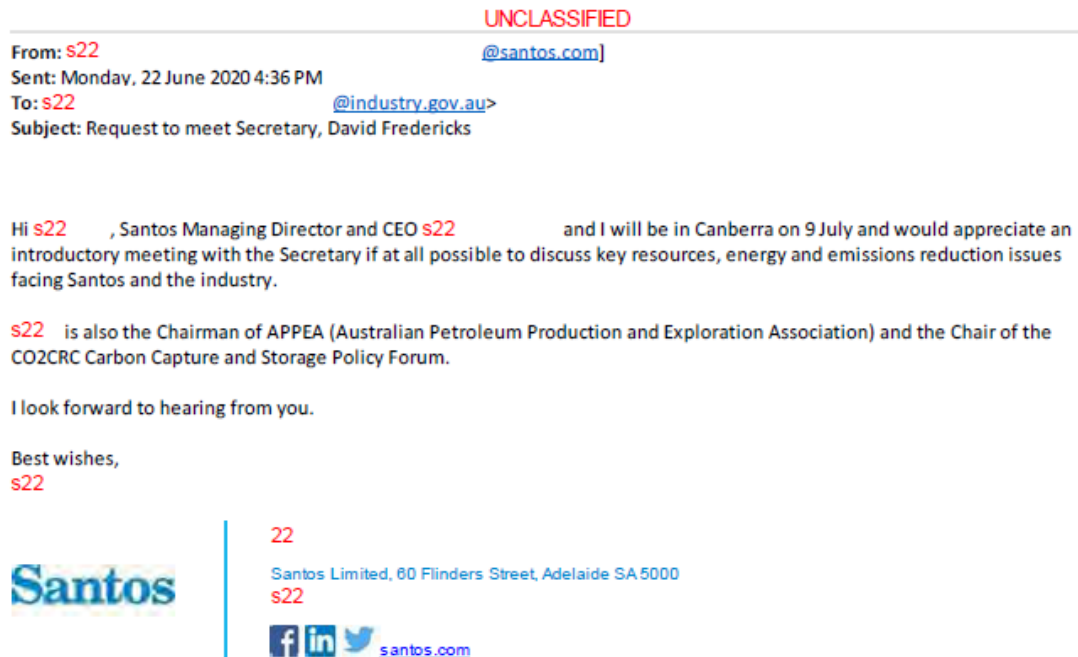
- s47G
- s22 advised that the project won’t go ahead without some external assistance, such as ERF funding.
s47G

Source: DISER (2021) Disclosure Log Number: 21/002/67356

In July 2020, at Santos’ request, DISER Secretary David Fredericks and other senior public servants met with Santos CEO (Kevin Gallagher) to discuss ‘emissions reduction issues facing Santos’.¹¹ At the time Kevin Gallagher was also the chairman of the Australian Petroleum Production and Exploration Association (APPEA) and the chair of the CO2CRC CCS policy group – both these organisations participated in the later CCS method co-design sessions.

¹¹ While the correspondence doesn’t name explicitly Mr Gallagher, as at July 2020 he was the CEO of Santos, and chair of APPEA.

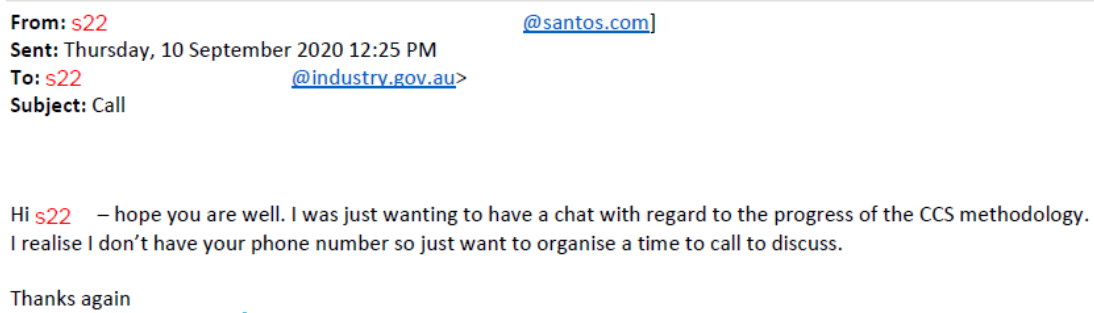
Figure 4: FOI – DISER– correspondence



Source: DISER (2021) Disclosure Log Number: 21/002/67356

In September 2020, Santos again contacted DISER to discuss the progress of the CCS method. A meeting was held on 14 September.

Figure 5: FOI – DISER– correspondence



Source: DISER (2021) Disclosure Log Number: 21/002/67356

SANTOS' MOOMBA REBRANDING

Sometime between 2019 and early 2020, Santos changed how it publicly described the Moomba project. The project went from being a CCUS project to being just a CCS project. The 'U' in CCUS stands for 'use'. This seemingly small change is significant because, while there are some other applications, CO₂ 'use' generally refers to its use in a process known as enhanced oil recovery (EOR).

EOR is a process where CO₂ or other substances are pumped into depleted reservoirs to help extract more oil and gas.¹² This results in a project releasing more emissions, not less, and so the rules governing CCS projects under the ERF explicitly rule out EOR within accredited projects:

(3) To avoid doubt, ...the following is [not an eligible] carbon capture and storage project:

(a) a project that involves or includes the injection of greenhouse gases into a storage site which has the effect of enhanced oil, gas or hydrocarbon recovery.¹³

The timeline of the way Santos describes the Moomba project is also significant. The change in narrative coincides with the official decision to develop a CCS ERF method in 2020. Santos' 2019 Climate Report says EOR was the purpose of the Moomba project, with CO₂ being injected specifically "to enhance oil production from these reservoirs."¹⁴ In 2018, Santos described EOR as a "foundation" of its "[carbon capture use and storage] CCUS Vision" for its South Australian developments.¹⁵

By contrast, the acronym CCUS is absent from 2021 documents submitted by Santos for South Australian Government approval, even though they make clear that the project includes "enhanced hydrocarbon recovery".¹⁶

¹² For simplicity this paper uses the acronym EOR to cover related terms such as enhanced gas recovery and advanced hydrocarbon recovery.

¹³ Parliament of Australia, Federal Register of Legislation (2021) *Carbon Credits (Carbon Farming Initiative—Carbon Capture and Storage) Methodology Determination 2021*, <https://www.legislation.gov.au/Details/F2021L01379>

¹⁴ Santos (2019) *Climate Change Report 2019*, <https://www.santos.com/wp-content/uploads/2021/02/2019-climate-change-report.pdf>, p23

¹⁵ Santos (2018) *Santos Cooper/Eromanga Basins CCUS*, https://energymining.sa.gov.au/__data/assets/pdf_file/0011/335864/Christian_Winterfield_-_Santos.pdf

¹⁶ Santos (2021) *South Australia – Moomba, Environmental Impact Report: Carbon Storage*, <https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/PGER003212021.pdf>

This of course raises the question of whether Santos' project was in fact eligible to be registered under the ERF. In December 2021, the Australia Institute published a report on this issue, *Santos' CCS Scam*, concluding that, based on available public documents, Santos' project is not eligible to be registered with the ERF.¹⁷

Rather than providing an explanation of its apparently unlawful decision, the responsible agency, the Clean Energy Regulator (CER) responded to the *Santos' CCS Scam* report by attacking the Australia Institute. The regulator issued a public statement asserting that the authors of the report do not understand the CCS method, yet ultimately providing no evidence that the Moomba project will not include EOR, merely stating:

Santos has said publicly it no longer intends to carry out EOR at Moomba.¹⁸

This claim is problematic. When asked directly whether the project would involve EOR, Santos CEO Kevin Gallagher said on the ABC's 7.30 Report:

What I can guarantee is that Phase 1 project is focused only on storage. I'm not going to talk about future projects elsewhere or any other projects, but for this project we're only capturing gas to permanently store it underground.¹⁹

The description of the Moomba project as having a "phase one" is new and not widespread. In addition to Mr Gallagher's interview, it only appears to have been previously used in Santos' 2021 Climate Change Report.²⁰ No descriptions of further phases appear to have been made in any public Santos or CER documentation.

¹⁷ Ogge et al (2021) *Santos' CCS scam*, <https://australiainstitute.org.au/report/santos-ccs-scam/>

¹⁸ CER (2021) Statement on TAI paper on Carbon Capture and Storage, <http://www.cleanenergyregulator.gov.au/Infocentre/Media-Centre/Pages/Media%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=1030>

¹⁹ Park and McDonald (2021) *Carbon capture and storage is gaining momentum, but it remains controversial*, <https://www.abc.net.au/7.30/carbon-capture-and-storage-is-gaining-momentum/13666782>

²⁰ Santos (2021) *Climate Change Report 2021*, <https://www.santos.com/news/climate-change-report-2021/>

Developing the CCS method

Prior to 2020, ERF method development was carried out by the Department of Industry, Science, Energy and Resources (DISER). This gave some separation between the department developing the methods and the Clean Energy Regulator (CER), which regulates the methods and projects and buys the resulting carbon credits on behalf of the Government.

In late 2020, the CER took over ERF method development, raising significant concerns about probity and the separation of functions, notably in the October 2020 scheduled review of the ERF by the Climate Change Authority (CCA).²¹

The CCA review found a “risk of real and perceived conflicts of interests arising” after the consolidation of all demand, supply and regulation functions under the CER that were previously jointly managed by the Department.²² The CCA recommended that the Australian National Audit Office undertake a performance audit of the Regulator to ensure ‘ongoing confidence’ in the administration of the ERF.

To date, no such audit has been carried out or announced despite the increasing concerns about the probity of the CER’s governance and the integrity of ERF methods being developed under its auspices. The CER continued to progress the consultation and co-design of the CCS method without the recommended audit, or any other significant action to manage the conflicts highlighted by the CCA.

CCS METHOD CO-DESIGN

The CER’s co-design principles claim that:

Voices of technical experts such as academia, scientists and researchers have deep technical understanding which will be required to ensure that methods

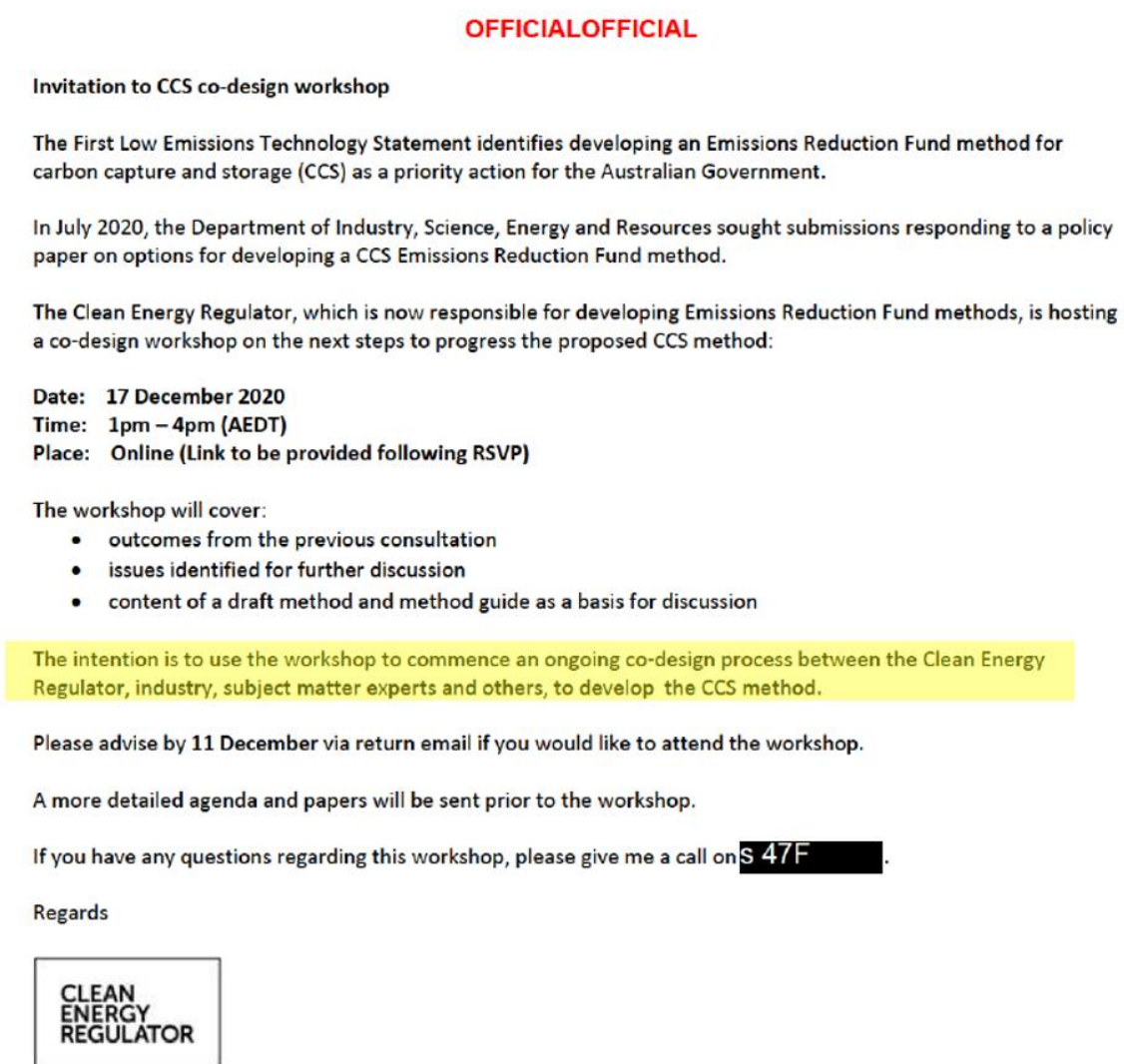
²¹ These reviews are carried out every three years as set out in the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth).

²² Climate Change Authority (2020) *Review of the Emissions Reduction Fund*, https://www.climatechangeauthority.gov.au/sites/default/files/2020-11/ERF%20Review%20Final%20Report%2020201009_2.pdf

are robust, informed by literature, scientifically possible and measurable.
Experts are drawn on to test ideas or write technical aspects of a method.²³

Seemingly in line with these principles, the CER hosted two ‘co-design workshops’ and invited “industry, subject matter experts and others, to develop the CCS method”. The invitation to participate in developing the method was obtained by the Australian Conservation Foundation (ACF) and is reproduced in Figure 6 below:

Figure 6: FOI – Clean Energy Regulator – invitation to CCS co-design workshop



Source: FOI documents obtained by ACF as part of an independent investigation

Despite the CER’s claims to consult widely with subject matter experts and others, attendees to the co-design workshops were almost exclusively fossil fuel companies,

²³ CER (2021) *Co-designing methods: a framework for collaboration*, <http://www.cleanenergyregulator.gov.au/DocumentAssets/Documents/Co-designing%20methods%20-%20a%20framework%20for%20collaboration.pdf> p. 10

fossil fuel lobbyists, service providers to fossil fuel companies, major emitters, and government agencies.

The CER's public statement in response to the *Santos' CCS Scam* paper states that "the Carbon Capture and Storage method was developed through a transparent co-design process, which included formal public consultation."²⁴

Despite claiming the CCS method was developed through a transparent process, there was no public disclosure of which stakeholders were invited to or participated in the co-design process. This could only be obtained via FOI, in documents that still have not been published on the CER's disclosure log.^{25,26}

The list of participants engaged in the CCS method co-design reveals the inherent flaw in the co-design process by allowing end users (in this case mainly fossil fuel companies) to be involved in the development of documents intended to regulate their activities and determine the extent that they can financially benefit from the ERF. The term 'co-design' implies more than consultation – it implies that private interests are actively designing ERF methodology.

Figure 7 below provides the first page of the attendee list obtained under FOI. The full document is in an appendix to this report.

²⁴ CER (2021), *Statement on TAI paper on Carbon Capture and Storage*, <http://www.cleanenergyregulator.gov.au/Infohub/Media-Centre/Pages/Media%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=1030>

²⁵ The CER's FOI Disclosure log appears not to have been updated since March 2021. CER (2021) Freedom of Information (FOI) disclosure log, accessed 24 January 2022, [http://www.cleanenergyregulator.gov.au/About/Freedom-of-information-\(FOI\)/Freedom-of-Information-\(FOI\)-disclosure-log](http://www.cleanenergyregulator.gov.au/About/Freedom-of-information-(FOI)/Freedom-of-Information-(FOI)-disclosure-log)

²⁶ The FOI documents related to the ERAC's disclosure of interests

Figure 7: Sample page of co-design workshop attendee list

Sector	Organisation	Expertise / Interest	On the CER List	Email	Delivered?	RSVPed / attending	Comments
P&G Industry	Shell		No	s 47F [redacted]@shell.com		Yes	Referred to by s 47F on 16 Dec. Will join the workshop from 1.30 PM.
P&G Industry	APPEA	Executive	Yes	s 47F [redacted]@appea.com.au		Yes	Asked which oil and gas company invited to the workshop.
Peak body	Australian Aluminium Council	Advocacy	No	s 47F [redacted]@aluminium.org.au		Yes	
Legal	Baker McKenzie	Expert	No	s 47F [redacted]@bakermckenzie.com		Yes	
Peak body	Cement Industry Federation and Emissions Reduction Assurance Committee	Expert	No	s 47F [redacted]@cement.org.au		Yes	
s 22							
Engineering	CO ₂ Value Australia	Expert	No	s 47F [redacted]@co2valuegroup.com		Yes	
Research	CO ₂ CRC	Expert	Yes	s 47F [redacted]@co2crc.com.au		Yes	
Research	CO ₂ CRC	Expert	Yes	s 47F [redacted]@co2crc.com.au		Yes	
s 22							
CCS-Resources	CTSCo	TBA	No	s 47F [redacted]@ctsc.com.au		Yes	
P&G Industry	ENI	Executive	Yes	s 47F [redacted]@eni.com		Yes	
P&G Industry	ENI		No	s 47F [redacted]@eni.com		Yes	Referred by s 47F of ENI

Source: FOI documents obtained by the Australian Conservation Foundation as part of an independent investigation

Figure 7 shows that oil and gas producers Shell and ENI attended, as did petroleum lobby group APPEA. CTSCo is a subsidiary of major coal producer Glencore. The CO₂CRC is a fossil fuel industry-funded CCS research group. CO₂ Value Australia is another industry-funded research and advocacy organisation focused on CO₂ utilisation. The Australian Aluminium Council and Cement Industry Federation are industry bodies that represent major emitters, while Baker McKenzie (note it is misspelt in Figure 7) is a law firm that often represents the oil and gas industry, most recently representing Shell in a major Australian acquisition.²⁷ The redacted sections are predominantly government agencies that did not fall in scope of the FOI request.²⁸

The full attendee list (see appendix) includes representatives of fossil fuel companies Chevron, Origin, Santos, Woodside, Exxon Mobil, BHP, BMA Coal, BP, GE, Loy Yang B Operations (owned by AGL), Synergy, Total, Transborder Energy, Arrow, Bridgeport Energy, J-Power and INPEX.

²⁷ Baker McKenzie (2021) *News: Baker McKenzie acts for Shell and ICG consortium in acquiring Meridian Energy's Australian business* <https://www.bakermckenzie.com/en/locations/asia-pacific/australia>

²⁸ The FOI request asked for internal correspondence discussing the involvement of non-government organisations or civil society in the Carbon Capture Storage ERF methodology co-design process ('the co-design process')

Other fossil fuel and major emitter lobby groups were the Minerals Council of Australia, Chamber of Minerals and Energy of WA, Carbon Market Institute, Coal 21/LETA, Hydrogen Australia, Queensland Resources Council and the South Australian Chamber of Mines and Energy. Major emitter Incitec Pivot also attended.

For fossil fuel industry representatives, access to the workshops was easy. FOI documents show that the CER approved the involvement of fossil fuel organisations that were not initially invited to participate, including ExxonMobil, Loy Yang B Pty Ltd, Synergy, InterGen and the Minerals Council of Australia (Figure 8: FOI – organisations involved in CCS method co-design that were not invited).

Figure 8: FOI – organisations involved in CCS method co-design that were not invited

InterGen		TBA	No	s 47F @intergen.com	Yes	Did not receive invite originally. Referred to by s 47F from Energy Council.
InterGen		TBA	No	s 47F @intergen.com	Yes	Did not receive invite originally. Emailed asking to participate.
LYB Operations & Maintenance Pty Ltd		TBA	No	s 47F @loyyangb.com	Yes	Did not receive invite originally. Emailed asking to participate.
Synergy		TBA	No	s 47F @synergy.net.au	Yes	Did not receive invite originally. Emailed asking to participate.
Minerals Council of Australia		Advocacy	No	s 47F @minerals.org.au	Yes	Not on the list originally. Emailed asking to attend.

Source: FOI documents obtained by ACF as part of an independent investigation

The request from ExxonMobil to participate in the co-design process was approved by the CER just two hours after it was made, as shown in Figure 9 below:

Figure 9: FOI – ExxonMobil request for participation in CCS method co-design

s 22

From: CER - Method Development
Sent: Thursday, 25 February 2021 1:46 PM
To: s 47F CER - Method Development
Subject: RE: CCS co-design workshop [SEC=OFFICIAL]

OFFICIAL

Hi s 47F,

Thanks for your interest – you have been added to the invite list. Further details and materials for the workshop will be distributed over the coming weeks.

Kind regards,

s 47F



s 47F

Emissions Avoidance Method Development

Method Development Branch
Scheme Operations Division



Think before you print

OFFICIAL

From: s 47F @exxonmobil.com>
Sent: Thursday, 25 February 2021 11:55 AM
To: CER - Method Development <methoddevelopment@cleanenergyregulator.gov.au>
Subject: CCS co-design workshop

Good morning,

I was hoping to register and attend the CCS co-design workshop on March 22. How do I get registered?

Regards,

Source: FOI documents obtained by ACF as part of an independent investigation

While access was easy for fossil fuel company representatives, even those who were not initially invited, the same could not be said for non-industry representatives. According to documents obtained under FOI, it appears that no independent researchers, civil society or environment groups attended the co-design session. Even if some independent researchers did attend, they would have been vastly

outnumbered by industry proponents.²⁹ As shown in Figure 10 below, an Australia Institute researcher requested to be involved in the CCS method co-design process on multiple occasions:

Figure 10: FOI – The Australia Institute’s request to participate in CCS co-design workshop

From: s 47F
Sent: Friday, 22 January 2021 12:06 PM
To: Ford, Mel <Mel.Ford@cleanenergyregulator.gov.au> s 47F <s 47F@cleanenergyregulator.gov.au>
Subject: Follow up from discussion yesterday

Hi Mel and s 47F

Thanks for your time yesterday

I thought it might be useful to highlight that The Australia Institute is regularly involved in similar government led stakeholder processes. Some examples include:

The Australia Institute has

- sat on the Extractive Industries Transparency Initiative (EITI) Multi Stakeholder Group, hosted by Department of Industry, Science, Energy and Resources since 2016.
- Been extensively involved in the formulation of NSW Government Guidelines on the Economic Assessment of mining and coal seam gas
- Been commissioned by the NSW Government to advise on economic assessment of changes to planning rules around complying development
- Is a member of the GISERA Stakeholder Roundtable Group
- currently sitting on the Energy Security Board's Technical Working Group for the Post 2025 NEM redesign
- member of the Australian Energy Market Operator's Wholesale Demand Response consultation group
- sat on the Australian Energy Market Commission's Technical Working Group for the Wholesale Demand Response rule change

Kind regards

s 47F

Source: FOI documents obtained by the Australian Conservation Foundation as part of an independent investigation

Figure 10 shows that the Australia Institute is often involved in similar multi-stakeholder processes and consultations, but as shown in Figure 11 below, The Australia Institute’s participation in this workshop was blocked by the CER on grounds that the co-design process was “mainly for industry practitioners”. Unlike the request from ExxonMobil above (Figure 9) that received a same-day reply, the Institute’s January 2021 request did not receive a formal response until April 2021:

²⁹ Note that the full list of invitees included in the appendix includes two lines for University of Queensland (UQ) representatives and one for an RMIT representative. It is not clear from the FOI documents whether any of these researchers attended, but it appears that they did not. It is likely that the UQ representatives were from its Centre for Natural Gas, which is funded by the fossil fuel industry. RMIT also conducts research with gas industry partners, see for example its Future Fuels CRC, <https://www.rmit.edu.au/research/centres-collaborations/multi-partner-collaborations/future-fuels-crc>

Figure 11: FOI – CER rejection of the Australia Institute’s co-design engagement request

From: S 47F
Sent: Tuesday, 27 April 2021 2:22 PM
To: S 47F
Cc: Ford, Mel
Subject: Follow up on CCS workshop [SEC=OFFICIAL]

OFFICIAL

Dear S 47F

Thank you for your email. I apologise for the delay in responding. Unfortunately your email was over-looked as we geared up at the beginning of 2021.

As we discussed, in several conversations regarding your request to participate in the Carbon Capture and Storage co-design group, the co-design group is intended mainly for industry practitioners that intend to use the method.

You indicated that you see your role as holding the process to account with respect to the method aligning with the legislated offsets integrity standards (OIS). However, the independent Emission Reduction Assurance Committee is appointed to play that role in the method development process and will review the CCS method as it is developed to ensure consistency with the OIS.

We have put a tracker on our website to show stakeholders how the method is progressing. In addition, the method will be made available for public consultation, in line with legislative requirements, for a period of 28 days. We encourage you to make a submission on the method should you have concerns or wish to comment. The Committee will consider the outcomes from public consultation when it decides how it will advise the Minister on whether or not the method should be made.

Thank you for your interest in the CCS method and please feel free to give me a call to discuss further.

Cheers,

S 47F

Source: FOI documents obtained by the ACF as part of an independent investigation

It is important to clarify that the Australia Institute asked to be involved in the CCS method co-design process as an independent party with significant research background on CCS. At no time did the Institute representative imply that our participation was aimed at overseeing the implementation of the legislated Offsets Integrity Standards, as stated by the CER in Figure 11. Figure 11 shows that the CER decided that participation of independent parties in the CCS consultation session was not necessary because of the involvement of the Emissions Reduction Assurance Committee (ERAC).

At any rate, the ERAC itself has been criticised for potential conflicts of interest.³⁰ These are discussed in the following section.

³⁰ Morton (2021) *Coalition quietly adds fossil fuel industry leaders to emissions reduction panel*, <https://www.theguardian.com/environment/2021/jan/23/coalition-quietly-adds-fossil-fuel-industry-leaders-to-emissions-reduction-panel>

Emissions Reduction Assurance Committee

ERAC MEMBERS AND POTENTIAL CONFLICTS OF INTEREST

The Emissions Reduction Assurance Committee (ERAC) plays an important role in ensuring the overall integrity of the ERF. It was established under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth). Its primary function is to ensure that the ERF carbon credit methods result in actual abatement, or more technically, that the methods meet the legislated Offsets Integrity Standards.³¹

ERAC members are appointed directly by the relevant minister, currently Energy Minister Angus Taylor. There are no particular requirements for membership other than “substantial experience or knowledge and significant standing” in a relevant field. There is a requirement to have one member from the CSIRO and one from DISER, the latter has restricted voting rights.³²

Since its inception, ERAC has had members with close ties to related industries. Even with this background, new appointments in 2020 and 2021 raised questions around potential conflicts of interest due to their current and former industry roles:³³

- David Byers (Chair, appointed 15 December 2020; initially appointed as a member 15 June 2020): a former senior executive at the Minerals Council of Australia, BHP and the Australian Petroleum Production and Exploration Association (APPEA). At the time of his ERAC appointment and during the initial development of the CCS method, Mr Byers was also the CEO of CO2CRC, a CCS

³¹ Clean Energy Regulator (2021) *Emissions Reduction Assurance Committee*, <http://www.cleanenergyregulator.gov.au/ERF/method-development/emissions-reduction-assurance-committee#Offsets-Integrity-Standards>

³² Federal Register of Legislation (2016) *Carbon Credits (Carbon Farming Initiative) Act 2011*, <https://www.legislation.gov.au/Details/C2017C00076>

³³ Morton (2021) ‘Coalition quietly adds fossil fuel industry leaders to emissions reduction panel’, *The Guardian*, <https://www.theguardian.com/environment/2021/jan/23/coalition-quietly-adds-fossil-fuel-industry-leaders-to-emissions-reduction-panel>. See also Directory.gov.au (2021) *Emissions Reduction Assurance Committee*, <https://www.directory.gov.au/portfolios/industry-science-energy-and-resources/department-industry-science-energy-and-resources/emissions-reduction-assurance-committee>

research group whose ‘partners’ include Santos, Shell, Woodside, ExxonMobil and Chevron.

- Margaret Thomson (appointed 15 June 2020): the CEO of the Cement Industry Federation. Cement production is a very emissions-intensive industry and has been flagged as an industry that would benefit from CCS.³⁴
- Brian Fisher (appointed 1 January 2021): long-time consultant to fossil fuel industries and former head of the Australian Bureau of Agriculture and Resource Economics (ABARE). Under Fisher’s leadership, ABARE’s economic modelling of climate policy was overseen by a steering committee that included the Australian Coal Association, the Australian Aluminium Council, BHP, Exxon and other fossil fuel interests. Steering committee members paid around \$50,000 per year for membership.³⁵ More recently, Fisher worked with Energy Minister Angus Taylor to produce and release economic modelling that exaggerated the cost of Labor’s climate policies in the lead up to the 2019 election. Dr Fisher’s modelling was presented as independent, but FOI documents revealed Minister Taylor’s involvement.³⁶ Dr Fisher was subsequently appointed not only to ERAC, but also for paid work reviewing government climate modelling.³⁷
- Allison Hortle (appointed 1 January 2021): CSIRO petroleum hydrogeologist, worked for 14 years as a Senior Researcher at the CO2CRC.³⁸

While public concern was raised at the disproportionate representation of fossil fuel interests among the members — who may have also had financial interests in carbon capture and storage — it was dismissed by Minister Taylor.³⁹

³⁴ Department of Industry, Science, Energy and Resources (2022) Reducing emissions through carbon capture, use and storage, <https://www.industry.gov.au/policies-and-initiatives/australias-climate-change-strategies/reducing-emissions-through-carbon-capture-use-and-storage>

³⁵ Commonwealth Ombudsman (1998) *Report of the investigation into ABARE's External Funding of Climate Change Economic Modelling*, https://www.ombudsman.gov.au/__data/assets/pdf_file/0024/26286/investigation_1998_01.pdf

³⁶ See Department of Agriculture Water and the Environment (2019) FOI disclosure log – FOI Reference MO190042, <https://www.awe.gov.au/sites/default/files/documents/mo190042.pdf>

³⁷ Secombe (2021) The man behind Scott Morrison’s climate panic, <https://www.thesaturdaypaper.com.au/news/politics/2021/11/13/the-man-behind-scott-morrison-climate-panic/163672200012870#hrd>

³⁸ LinkedIn (2022) *Allison Hortle*, <https://www.linkedin.com/in/allison-hortle-72834a42/?originalSubdomain=au>

³⁹ Morton (2021) ‘Coalition quietly adds fossil fuel industry leaders to emissions reduction panel’, *The Guardian*, <https://www.theguardian.com/environment/2021/jan/23/coalition-quietly-adds-fossil-fuel-industry-leaders-to-emissions-reduction-panel>

The appointments of Mr Byers and Ms Thompson are of particular interest as both were appointed to the ERAC just a month after the government indicated it was progressing a CCS method. Furthermore, at the time of their appointment and during the development of the CCS method, they were in paid executive roles in organisations that represent industries and businesses that may benefit financially from ERF support for CCS projects. Some of the affiliate companies of the CO2CRC also participated in the co-design of the ERF CCS method alongside Mr Byers and Ms Thomson.

This raises important questions of conflict of interest, both in the legal sense and also for the public perception of whether conflicts exist, how they are managed and whether decisions required to be independent can be seen to be so. The ‘conflict of interest’ provision of the CFI Act states:

An Emissions Reduction Assurance Committee member must not engage in any paid employment that conflicts or may conflict with the proper performance of his or her duties.⁴⁰

Beyond the wording of the Act, there is the wider public concern in regulatory and review processes being seen to be independent from the decision they are reviewing.

ERAC MEMBERS IN THE CCS METHOD CO-DESIGN WORKSHOPS

The ERAC has no formal role in the design or development of ERF methods, only in the assessment and endorsement of their integrity. Indeed, if ERAC members were involved in the development of methods this would create a potential conflict if they then advise the Minister on the merits of the methods they have helped to develop.

The CER’s claim that ERAC would hold its method development process to account, negating the need for more stakeholders to be involved in the CCS method development (Figure 11 above), seems to depend on ERAC members not being actively involved in the development. However, two ERAC members were involved in the CCS method development, in their capacity as industry representatives. A third ERAC member may have been involved in her capacity as a CSIRO representative.

Both Mr Byers and Ms Thomson participated at least in the initial ‘co-design’ session of the CCS method on December 17, 2020 in their respective industry capacities. Figures 12 and 13 below show that both responded to the CER’s invitation to the CCS co-

⁴⁰ Carbon Credits (Carbon Farming Initiative) Act 2011, S.263,
<https://www.legislation.gov.au/Details/C2017C00076>

design workshop from their private sector email addresses, using their private sector position titles, with no mention of ERAC:

Figure 12: FOI – CCS method co-design, David Byers response to invitation

From: David Byers <david.byers@co2crc.com.au>
Sent: Wednesday, 2 December 2020 4:52 PM
To: CER - Method Development <methoddevelopment@cleanenergyregulator.gov.au>
Subject: RE: Invitation to CCS co-design workshop [SEC=OFFICIAL]

Thanks for the invitation which I am pleased to accept.

Regards, David

David Byers
Chief Executive Officer

CO2CRC Limited
11 – 15 Argyle Place South, Carlton, VIC, 3053
PO Box 1182 Carlton VIC, 3053
s 47F

e: david.byers@co2crc.com.au
[website](#) | [twitter](#)

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Released under the Freedom of Information Act 1982

Source: FOI documents obtained by the ACF as part of an independent investigation

Figure 13: FOI – CCS method co-design, Margie Thomson response to invitation

From: Margie Thomson <mthomson@cement.org.au>
Sent: Tuesday, 8 December 2020 1:39 PM
To: CER - Method Development <methoddevelopment@cleanenergyregulator.gov.au>
Subject: RE: Invitation to CCS co-design workshop [SEC=OFFICIAL]

Thank you for the invitation to attend – I look forward to receiving the agenda and related papers.

Kind regards

Margie



Margie Thomson
Chief Executive

Phone: s 47F
Mobile: [REDACTED]
Email: mthomson@cement.org.au
Web: www.cement.org.au

Source: FOI documents obtained by the ACF as part of an independent investigation

The list of attendees for the 17 December 2020 session shows that one participant was registered as representing both the ERAC and the Cement Industry Federation, reproduced in Figure 14 below:

Figure 14: FOI - Attendees of the CCS method co-design workshop

Peak body	Australian Aluminium Council	Advocacy	No	s 47F	aluminium.org.au	Yes	
Legal	Baker McKenzie	Expert	No	s 47F	@bakermckenzie.com	Yes	
Peak body	Cement Industry Federation and Emissions Reduction Assurance Committee	Expert	No	s 47F	@cement.org.au	Yes	
s 22							
Engineering	CO ₂ Value Australia	Expert	No	s 47F	co2valuegroup.com	Yes	
Research	CO2CRC	Expert	Yes	s 47F	@co2cra.com.au	Yes	
Research	CO2CRC	Expert	Yes	s 47F	@co2cra.com.au	Yes	
s 22							

Source: FOI documents obtained by ACF as part of an independent investigation

While names have been redacted, the participant highlighted in Figure 14 could only have been Ms Thomson. The attendee list does not list have any other ERAC entry, but has three from the CO2CRC, one of which was presumably Mr Byers.

Another ERAC member that may have participated in the co-design workshops is Allison Hortle. As a CSIRO employee, information about her attendance would likely not have fallen under the terms of the FOI request as CSIRO is a public agency. Ms Hortle was contacted as part of this research.

The involvement of ERAC members in co-designing a method that ERAC would later advise government on does not appear to have been discussed in ERAC meetings. The disclosure of interest information in ERAC meeting minutes obtained under FOI make no mention of this issue. At the 6 September 2021 meeting, Mr Byers noted that CO2CRC made a submission, but did not note his involvement in the co-design process. Ms Thomson and Ms Hortle also noted general interests, but did not put on the interest register that, or in Ms Hortle's case whether, they had been involved in developing the method ERAC was about to advise on, as shown in Figure 15 below:

Figure 15: FOI – ERAC meeting minutes 6 September 2021:

Discussion	<p>b) Disclosure of Interest Register</p> <ul style="list-style-type: none"> The Chair observed that there are a broad range of proposed activities being considered for the 2022 method priorities and that it is appropriate for members to disclose any relevant interests. Several members advised of potentially relevant interests: <ul style="list-style-type: none"> » The Chair noted that the CO2CRC has made a submission. He advised that he is no longer a Director of the CO2CRC and is now a part-time adviser. » Ms Thomson raised indirect interests in relation to the potential for members of the Cement Industry Federation (of which she is CEO) to benefit from several industrial sector methods. » Prof McBratney advised that he is a former director of the Sydney Institute of Agriculture, but noted that he has had no involvement in their submission. He also noted his research interest in soil carbonates. » Ms Hortle noted her role as the CSIRO representative, and advised that CSIRO has been involved, or may potentially be involved, in many of the proposed methods. » Mr Keogh noted potential interests in relation to the livestock and land methods.
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Source: FOI documents obtained by ACF as part of an independent investigation

As discussed in the following section, Mr Byers asserted that he managed his potential conflict by abstaining from decision making on the CCS method.

ERAC DISCLOSURE OF INTERESTS AND MANAGEMENT OF CONFLICTS ON CCS

Mr Byers and MS Thomson were appointed to ERAC in June 2020. Mr Byers initially declared a conflict with the CCS method at the July 2020 ERAC meeting, as shown in Figure 16:

Figure 16: FOI - ERAC meeting minutes July 2020

Item 5: Carbon Capture, Utilisation and Storage Method (CCUS)

The Committee:

- **Noted** Mr Graham and Mr Byers have disclosed conflicts of interest with CCUS method development.
- s22

Source: FOI documents obtained by ACF as part of an independent investigation Note: The register refers to the “Carbon capture, utilisation and storage method” but can be assumed to be the carbon capture and storage method as there is no reference to a “carbon capture and storage” method in the register.

Ms Thomson also initially acknowledged a potential conflict with the CCS method, as shown in Figure 17:

Figure 17: FOI - ERAC meeting minutes July 2020

d) Disclosure of Interests

The Committee:

- **Noted** the Conflict of Interest Register and new conflicts disclosed by members since December 2019.
- **Noted** the conflicts will be managed on an individual basis.
- **Noted** Ms Thomson’s acknowledgement of a possible future conflict with the Carbon Capture, Utilisation and Storage method. This may be included as the method review develops.

Source: FOI documents obtained by ACF as part of an independent investigation

This disclosure was appropriate, as CCS has explicitly been identified by the Commonwealth as a means to “reduce emissions in hard to abate sectors such as cement production”.⁴¹ However, according to the available documents, this was not

⁴¹ Department of Industry, Science, Energy and Resources (2021) ‘Carbon capture and storage method: proposed new method under the Emissions Reduction Fund’, *Consultation Hub*, <https://consult.industry.gov.au/carbon-capture-and-storage-method>

raised again. ERAC minutes show that Ms Thomson did not disclose this potential conflict again any time throughout the development of the method, nor stand down from deliberations and decisions about the CCS method.

By contrast, Ms Thomson abstained from making decisions on other methods where she had potential conflicts. She acknowledged in the September 2021 ERAC meeting that several members of the Cement Industry Federation (CIF) stand to benefit financially from proposed future ERF methods (see figure 21 below)

Mr Byers asserted that he managed his potential conflict not by abstaining from ERAC discussions and decisions, but by withdrawing from the CO2CRC CCS policy working group, as shown in Figure 18 below:

Figure 18: FOI – ERAC DISCLOSURE OF INTERESTS REGISTER SEPTEMBER 2020

ERAC DISCLOSURE OF INTEREST REGISTER					
Method	Method Group	ERAC Member	Declared Conflict	Decision or treatment	On meeting agenda
Blue Carbon <i>Reintroduction of tidal flows for the restoration of Mangroves and Saltmarsh</i>	Agriculture				Yes
Measurement of soil carbon sequestration in agriculture systems 2018	Agriculture	Dr Paul Graham			Yes
Landfill Gas	Landfill and AWT				Yes
Carbon Capture Utilisation and Storage (CCUS)	Industrial	Mr David Byers	Mr Byers withdrawn from further participation in the CO2CRC CCS policy working group.		Yes
Carbon Capture Utilisation and Storage (CCUS)	Industrial	Dr Paul Graham	CSIRO is a patent holder in relation to CCS technologies and would benefit from deployment of CCS projects		Yes

Source: FOI documents obtained by ACF as part of an independent investigation

Mr Byers withdrawal from the CO2CRC CCS policy working group remains on the disclosure of interest register for subsequent ERAC meetings. FOI documents do not include any explanation of how the policy working group operates, or how a group so seemingly central to the organisation's purpose could be independent from its CEO.

Figures 16 and 17 above also show that then-CSIRO ERAC member Dr Paul Graham disclosed the CSIRO's interests in relation to CCS technologies. The subsequent CSIRO ERAC member, Allison Hortle, has never disclosed this interest, or her 14-year association with the CO2CRC, according to ERAC meeting minutes obtained under FOI.

Returning to Mr Byers, after stepping down from the CO2CRC CCS policy working group, he stated in the September 2020 ERAC meeting that he no longer had a conflict of interest as shown in Figure 19:

Figure 19: FOI - ERAC meeting minutes September 2020

Item 8: Carbon Capture, Utilisation and Storage

The Committee:

- **Acknowledged** Mr Graham has a disclosed conflict of interest with CCUS method development.
- **Noted** Mr Byers **said** he no longer has a conflict of interest on this method.

Source: FOI documents obtained by ACF as part of an independent investigation

As discussed above, Mr Byers went on to participate in the first co-design workshop in December 2020 and possibly the second workshop in March 2021. In April 2021, Mr Byers again declared a potential conflict and proposed to manage it by abstaining from decision making on, but not discussion of, the CCS method that he had co-designed, as shown in Figure 20:

Figure 20: FOI – ERAC DISCLOSURE OF INTEREST REGISTER MAY 2021

ERAC DISCLOSURE OF INTEREST REGISTER				
Method	ERAC Member	Declared Interest	Decision or treatment	On agenda
Methods in Development				
Biomethane				
Blue carbon				
Carbon capture and storage (CCS)	Mr David Byers	Director of CO2CRC Ltd. CO2CRC has discussions with the federal Government on behalf of its industry members regarding the development of the new CCS method.	Mr Byers has withdrawn from further participation in the CO2CRC CCS policy working group. 13 April 2021: The Chair will abstain from decision making on the Carbon Capture and Storage (CCS) method.	Yes

Source: FOI documents obtained by ACF as part of an independent investigation

Having participated in at least the first co-design session, Mr Byers had input into the design of the method as a representative of an organisation whose members include Santos and other fossil fuel companies that would benefit from using the method. He participated in ERAC discussions of the CCS method up until a final decision in September.

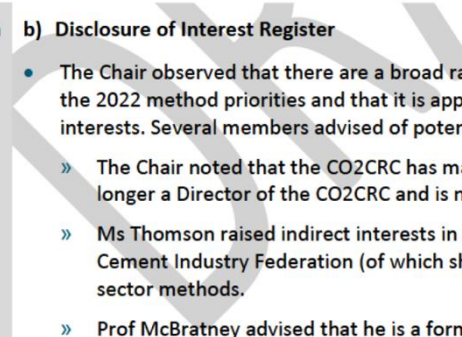
On 8 June 2021, Energy Minister Angus Taylor visited Santos' Moomba site, and told the media that CCS method development was well advanced. He then pre-empted ERAC's decision saying that the method would be in place by the end of the year and that it will "put the [Santos] project in a position to immediately proceed."⁴² ERAC

⁴² Sky News (2021) *Carbon capture technology 'strongly supported' globally: Energy Minister*, <https://www.skynews.com.au/business/carbon-capture-technology-strongly-supported-globally-energy-minister/video/6cdc92595b21158c2ce8a2a78fcf267d>. Note that the video with the above quote seems to have been removed from the Sky News webpage. It is reproduced in Australia Institute (2021) *Carbon Capture & Storage Failure | Spin Bin with Angus Taylor*, <https://www.youtube.com/watch?v=MGTSAR96E>

minutes obtained under FOI do not make it clear whether this pre-emption by the minister was noted by committee members.

In August 2021 Mr Byers stood down from his role as CEO of CO2CRC but maintains a position as part-time advisor to the organisation.⁴³ (See also Figure 21 below)

Figure 21: FOI - ERAC meeting minutes 6 September 2021



Discussion	<p>b) Disclosure of Interest Register</p> <ul style="list-style-type: none">• The Chair observed that there are a broad range of proposed activities being considered for the 2022 method priorities and that it is appropriate for members to disclose any relevant interests. Several members advised of potentially relevant interests:<ul style="list-style-type: none">» The Chair noted that the CO2CRC has made a submission. He advised that he is no longer a Director of the CO2CRC and is now a part-time adviser.» Ms Thomson raised indirect interests in relation to the potential for members of the Cement Industry Federation (of which she is CEO) to benefit from several industrial sector methods.» Prof McBratney advised that he is a former director of the Sydney Institute of Agriculture, but noted that he has had no involvement in their submission. He also noted his research interest in soil carbonates.» Ms Hortle noted her role as the CSIRO representative, and advised that CSIRO has been involved, or may potentially be involved, in many of the proposed methods.» Mr Keogh noted potential interests in relation to the livestock and land methods.
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Source: FOI documents obtained by ACF as part of an independent investigation

On 17 September, ERAC members met to make a final decision on the CCS method. Mr Byers abstained from the decision, as shown in Figure 22 below:

⁴³ CO2CRC (2021) *CO2CRC Chief Executive to step down*, <https://co2crc.com.au/co2crc-chief-executive-to-step-down/>

Figure 22: FOI- ERAC meeting minutes 17 September 2021

Item 3: New Methods	
Discussion	<p>a) Carbon capture and storage (CCS) – final draft for decision</p> <p>Mr Byers left the room and abstained from decision making due to a declared interest. The Committee appointed Mr Keogh as acting Chair.</p>
s 22	
s 22	
s 22	<ul style="list-style-type: none">The Committee agreed the draft CCS method meets the offsets integrity standards and to advise the Minister that the method be made, alongside its explanatory statement.
s 22	<p>Action</p> <ul style="list-style-type: none">Secretariat to draft a letter of advice from the Committee to the Minister and assist the Department with briefing to recommend to the Minister to make the CCS method.
s 22	<p>Mr Byers returned to the room and resumed as Chair.</p>

Source: FOI documents obtained by ACF as part of an independent investigation

While Mr Byers abstained from decision making on the CCS method, Ms Thomson appears to have stayed in the room. This means that she advised the Minister as a member of ERAC on the method she had helped design as a representative of the cement industry.

AUSTRALIA INSTITUTE AND ERAC OPINIONS ON CCS CONFLICTS AND MANAGEMENT

It is worth restating here that it was the involvement of ERAC members that formed the basis for the CER's refusal to invite The Australia Institute or other independent researchers to the co-design workshops. In defending the registration of the Santos project with the ERF, the CER again pointed to ERAC, saying that the "committee assessed the method and found it met the scheme's high bar integrity standards."

In our view, the CER is wrong to claim that ERAC could adequately hold the regulator's processes to account, or that it could advise Government in a way that would satisfy the public interest. The conflicts of ERAC members, and the ways in which conflicts were managed, documented above, are unlikely to satisfy general public perceptions

of how conflicts of interest should be managed by an important government advisory committee.

ERAC members were contacted as part of this research. Responding on behalf of the members and ERAC itself, Chair David Byers wrote:

The documents that are in your possession and that you have sent to the individual Members make it very clear that Members have disclosed relevant interests to ERAC. It is also clear from those documents that Members have complied with their legal obligations...

It is a matter for ERAC to consider how interests, and potential or actual conflicts of interest, are to be managed. This is confirmed by the legislation you refer to. The declaration or existence of an interest does not per se preclude a Member from providing their expertise (which they must hold and for which they are appointed) to ERAC in the information gathering or discussion stage, or from being part of the decision making process.

I am satisfied that the Members undertook their disclosure duties responsibly, and ERAC was appropriately and continuously informed of the nature of interests. I am also satisfied that any potential conflicts were then managed appropriately by ERAC.⁴⁴

The documents quoted in this report show that ERAC members were involved in the development of the CCS method in their industry roles, and that ERAC later advised government on the method that its members had helped develop. On disclosure of interest in CCS more broadly, FOI documents show that ERAC members made inconsistent disclosures and managed conflicts to their own standards. As Mr Byers points out, it is a matter for ERAC members to consider how to manage their own conflicts of interest.

The Australia Institute makes no allegation of illegality by ERAC members.

These events take place against a backdrop of decades of CCS failures, acrimonious climate politics, increasing public protests and ever-rising emissions from fossil fuel industries. Mr Byers may be correct that ERAC members complied with their legal obligations. However, in the context of Australian climate policy and politics, ERAC needs to do more than comply with the letter of the law to gain public credibility.

Through the CCS method development, the unwillingness of the CER and ERAC to engage with independent researchers and civil society organisations, or to demonstrate accountability standards beyond the legal minimum development raises

⁴⁴ Email from David Byers, dated 14 February 2022

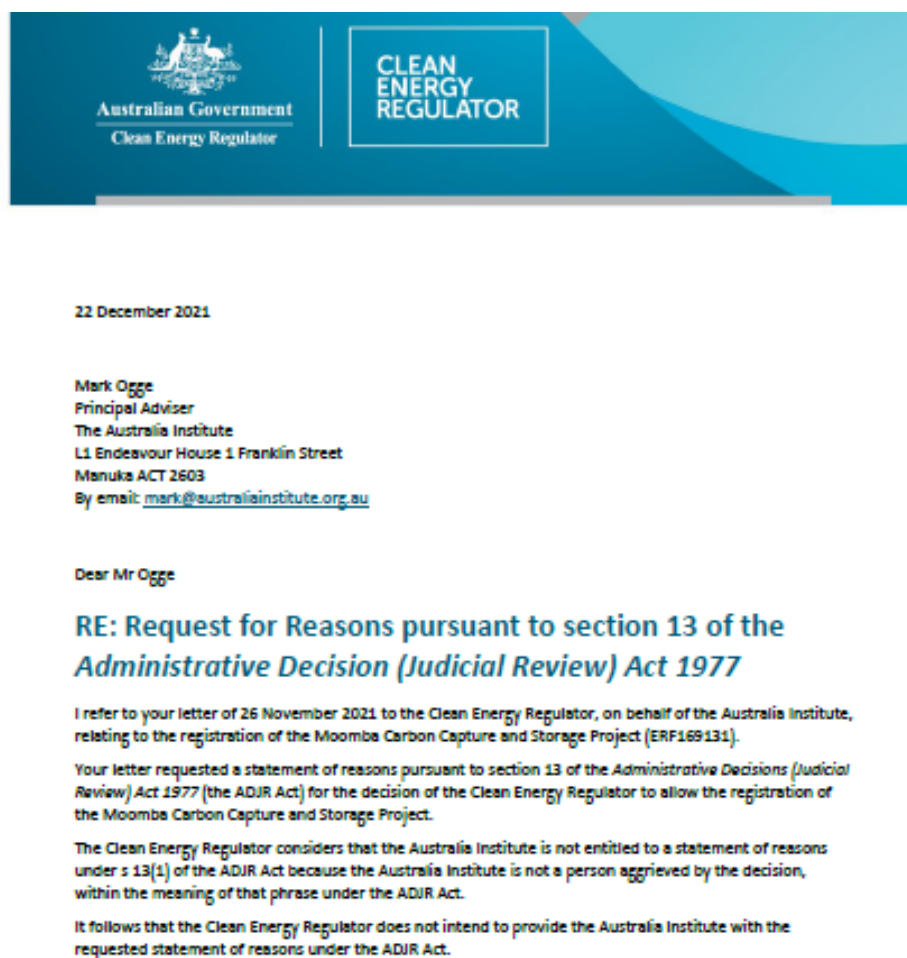
serious questions about their governance. This is particularly concerning as more ERF methods are in development which will present similar governance challenges.

Furthermore, the ERF is a key pillar of Australia's climate policy. It is the main Federal funding source aimed at reducing emissions, worth a total of \$2.6 billion. This large sum of public money and the important task it has, require far higher standards than have been documented in the CCS method development.

Request for reasons on Santos CCS

The CER has been asked to improve transparency around the Santos Moomba project and to publicly address the conflict between Santos' repeated description of the Moomba CCS projects as including EOR, and the ERF method's prohibition of EOR. A first step would be publishing the reasons behind its decision. The Australia Institute is unaware of any published reasons given by the CER for its decision to register the project.⁴⁵ The Australia Institute formally contacted the CER requesting these reasons, but the request was refused by the regulator, as shown in Figure 23 below:

Figure 23: CER refusal of Australia Institute request for reasons on Santos project



⁴⁵ CER (1 November 2021) Project Register, Moomba Carbon Capture and Storage Project, <http://www.cleanenergyregulator.gov.au/ERF/Pages/Emissions%20Reduction%20Fund%20project%20and%20contract%20registers/Project%20register/ERF-Project-Detailed-View.aspx?ListId=%7b7F242924-BF02-45EE-A289-1ABCC954E9CE%7d&ItemID=1323>

Yours sincerely



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General Counsel
Clean Energy Regulator
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www.cleanenergyregulator.gov.au

Source: CER correspondence

By publishing an explanation for its decision on the Santos Moomba CCS project, the CER would help address concerns around integrity and transparency. Instead, it continues to deflect scrutiny by attempting to discredit its critics in public statements.

Conclusion

The process surrounding the development of the CCS ERF method demonstrates the huge influence that fossil fuel companies and other major emitters have on climate policy in Australia. FOI documents – many of which are still not available on DISER or CER’s disclosure logs – show that DISER, the CER and the ERAC consulted almost exclusively with (and even acted on behalf of) fossil fuels and major emitters in the development of the method.

The documents that have been made public raise serious questions as to whether the public is likely to be satisfied with the independence of the method development process. The approach to disclosure and management of conflicts in relation to the CCS method by ERAC members has, in our opinion, not been of a standard that will satisfy general public perceptions of conflict of interest management.

Furthermore, Santos – ultimately the beneficiary of the CCS method as the first project to be registered – was not only deeply involved in every step of the method development at the invitation of government, but was also involved in preliminary discussions with government before the method was even officially announced. Santos was a key influence on government processes that “enabled” its own \$220 million project to proceed.⁴⁶

The CER and the ERAC are independent statutory bodies tasked with ensuring the integrity of the Emissions Reduction Fund. Yet a lack of transparency around processes and governance, coupled with significant issues of conflicts of interest highlighted in this report, indicate raise questions about their independence.

Unusually for a regulator, the CER has begun to demonstrate a pattern in how it responds to research or commentary that bring into question the integrity of its methods. In addition to its public statement on the Australia Institute’s *Santos CCS Scam* paper, the CER has defended industry and also attempted to publicly discredit its

⁴⁶ Taylor (2021) *Australia’s first CCS hub to be operational by 2024*, <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australias-first-ccs-hub-be-operational-2024>

critics on several other occasions rather than simply address the issues being raised.^{47,48,49}

In its service charter the CER states that it is committed to accountability and to “serve the needs of the Australian public through the Government in a professional, responsible and accountable manner”.⁵⁰ However, the nature of the development of the carbon capture and storage methods and the public behaviour of the CER suggests that it is far more concerned with serving industry interests than the public interest.

⁴⁷ CER (2021) *Statement in Response to TAI-ACF Report on the Emissions Reduction Fund*, <http://www.cleanenergyregulator.gov.au/About/Pages/News%20and%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=977>; Australia Institute (2021) *Statement in response to the Clean Energy Regulator*, <https://australiainstitute.org.au/post/statement-in-response-to-the-clean-energy-regulator/>

⁴⁸ RN Breakfast (2021) *Clean Energy Regulator rejects junk carbon credit claims*, <https://www.abc.net.au/radionational/programs/breakfast/clean-energy-regulator-rejects-junk-carbon-credit-claims/13631010>

⁴⁹ Taylor (2021) *The price of Australian carbon credits is soaring — but that's not necessarily a good thing*, <https://www.abc.net.au/news/2021-12-23/australian-carbon-credits-price-soaring/100720432>; CER (2021) *Statement: CER Response to ABC story on the ACCU price*, <http://www.cleanenergyregulator.gov.au/About/Pages/News%20and%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=1041>; Casben (2022) *Offsets 'handed out like Monopoly money'*, <https://www.canberratimes.com.au/story/7586235/offsets-handed-out-like-monopoly-money/>; CER (2022) *Statement: CER Response to AAP story on the blue carbon method*, <http://cleanenergyregulator.gov.au/About/Pages/News%20and%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=1047>

⁵⁰ Clean Energy Regulator (2021) *Agency Service Charter*, <http://www.cleanenergyregulator.gov.au/About/Policies-and-publications/agency-service-charter>

Appendices

FULL DOCUMENT OF ATTENDEES TO DECEMBER 2020 CCS CO-DESIGN WORKSHOP

Obtained by an independent investigation by the Environmental Investigations Unit of the Australian Conservation Foundation.

FOI 04_2021 - Document 67

Sector	Organisation	Expertise / Interest	On the CER List	Email	Delivered?	RSVPed / attending	Comments
P&G Industry	Shell		No	s 47F @shell.com		Yes	Referred to by s 47F on 15 Dec. Will join the workshop from 1.30 PM.
P&G Industry	APPEA	Executive	Yes	s 47F @appea.com.au		Yes	Asked which oil and gas company invited to the workshop.
Peak body	Australian Aluminium Council	Advocacy	No	s 47F @aluminium.org.au		Yes	
Legal	Baker McKenzie	Expert	No	s 47F @bakermckenzie.com		Yes	
Peak body	Cement Industry Federation and Emissions Reduction Assurance Committee	Expert	No	s 47F @cement.org.au		Yes	
Engineering	CO ₂ Value Australia	Expert	No	s 47F @carbonvaluegroup.com		Yes	
Research	CO ₂ CIC	Expert	Yes	s 47F @co2cic.com.au		Yes	
Research	CO ₂ CIC	Expert	Yes	s 47F @co2cic.com.au		Yes	
CCS-Resources	CTSCo	TBA	No	s 47F @ctsc.com.au		Yes	
P&G Industry	ENI	Executive	Yes	s 47F @eni.com		Yes	
P&G Industry	ENI		No	s 47F @eni.com		Yes	Referred by s 47F of ENI

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Energy	s 47F	GE Energy	s 47F	Commercial	No	s 47F @ge.com	Yes	
Research		Global CCS Institute		Research	No	s 47F @globalccsinstitute.com	Yes	
Research		Global CCS Institute		TBA	No	s 47F @globalccsinstitute.com	Yes	Nominated by s 47F from the same institute
Research		Global CCS Institute		TBA	No	s 47F @globalccsinstitute.com	Yes	Referred to by s 47F
Hydrogen		H2O Hydrogen Industry Cluster, LEAD Engineering		Commercial	No	s 47F @leadengineerinnovations.com.au	Yes	
Consultant		Independent consultant		Expert	No	s 47F @optusnet.com.au	Yes	
CCS Industry		Mineral Carbonation International		Commercial	No	s 47F @mineralcarbonation.com	Yes	
P&G Industry		Santos		Advocacy	Yes	s 47F @santos.com	Yes	
P&G Industry		Santos			No	s 47F @santos.com	Yes	Referred to by s 47F of Santos. See s 47F
P&G Industry		Transborder Energy		Regulatory	No	s 47F @transborderenergy.com	Yes	
P&G Industry		Transborder Energy		TBA	No	s 47F @transborderenergy.com	Yes	Referred to by s 47F of Transborder Energy
CCS Industry		Uno Technology		Expert	No	s 47F @unotech.com.au	Yes	
P&G Industry		Woodside		Expert	No	s 47F @woodside.com.au	Yes	Replacing s 47F

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P&G Industry	s 47F	Woodside	s 47F	TBA	No	s 47F @woodside.com.au	Yes	Not on the list originally. Enailed asking to attend. Also referred to by s 47F
Industry		InterGen		TBA	No	s 47F @intergen.com	Yes	Did not receive invite originally. Referred to by s 47F from Energy Council.
Industry		InterGen		TBA	No	s 47F @intergen.com	Yes	Did not receive invite originally. Enailed asking to participate.
Industry		LYB Operations & Maintenance Pty Ltd		TBA	No	s 47F @loyyangb.com	Yes	Did not receive invite originally. Enailed asking to participate.
Industry		Synergy		TBA	No	s 47F @synergy.net.au	Yes	Did not receive invite originally. Enailed asking to participate.
Industry		Corporate Carbon Advisory		TBA	No	s 47F @corporatecarbon.com.au	Yes	Invited to the soil workshop but expressed interest in CCS instead. Sent an invitation on 8 Dec.
Consultant		Consultant		Advocacy	No	s 47F @TBDconsulting.com	Yes	Note he need to leave at 3 PM AEDT
P&G Industry		Chevron			No	s 47F @chevron.com	Yes	

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Research	s 47F	CO2CRC	s 47F	Expert	Yes		Yes	
Resources		Minerals Council of Australia		Advocacy	No	s 47F s47f@co2crc.com.au	Yes	Not on the list originally. Emailed asking to attend.
P&G Industry		Santox		Executive	Yes	s 47F s47f@santox.com	Yes	
s 22								
Industry		CMI			No	s 47F s47f@arionmarketinstitute.org	Yes	Referred to by s 47F and confirmed on 14 Dec.
P&G Industry		Kamber Trail Services		Commercial	No	s 47F s47f@kambenergy.net	Yes	
Industry								
P&G Industry		McCullough Robertson INPEX		TBA	No	s 47F s47f@mcrobertson.com.au	Yes	Invited as instructed by s 47F on 8 Dec. RSVPed to information pack on 12 Dec.
				Expert	Yes		Yes	RSVPed on 14 Dec to information pack.
Resources		Chamber of Minerals & Energy of Western Australia			No	s 47F s47f@cmewa.com	Yes	Emailed asking to attend on 11 Dec. Approved by s 47F
Resources		Chamber of Minerals & Energy of Western Australia				s 47F s47f@cmewa.com	Yes	Emailed asking to attend on 16 Dec.
Industry		Total I&P Australia			No	s 47F s47f@total.com	Yes	Email asking to attend on 15 Dec. Approved by s 47F
Hydrogen		Origen		Advocacy	No	s 47F s47f@origenenergy.com.au	Yes	Added to the list by s 47F on 16 Dec.

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Emissions Intensive Industry	s 47F	Incitec Pivot	s 47F		No	s 47F s47f@incitec-pivot.com.au	Yes	Emailed on 15 Dec asking to attend. Information and link sent on 16 Dec.
s 22								

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Sector	Organisation	Expertise / Interest	On the CER List	Email	Delivered ¹	RSVPed / attending	Comments
Industry	Global CCS Institute	Expert	No	s 47F info@globalccsinstitute.com	No, email too late	No	Email being sent on 20th
Industry	Standards Australia	Expert	No	s 47F standards@standards.org.au		No	Email asking for lead order comment on the date but with other 2 standing comments reports about the meeting with s 47F left alone
P&G Industry	APPEA	Executive	Yes	s 47F ap@appra.com.au		Yes	Asked which oil and gas company invited to the workshop
Peak body	Australian Aluminium Council	Advocacy	No	s 47F info@alumina.org.au		Yes	
Legal	Water Muckelbauer	Expert	No	s 47F info@watermuckelbauer.com		Yes	
Peak body	Cement Industry Federation and Initiatives Reduction Assurance Committee	Expert	No	s 47F info@cement.org.au		Yes	
s 22							
Engineering	CSI, Value Australia	Expert	No	s 47F info@valueaustralia.com		Yes	
Research	CCZCRC	Expert	Yes	s 47F info@cczccrc.com.au		Yes	
Research	CCZCRC	Expert	Yes	s 47F info@cczccrc.com.au		Yes	
s 22							
CCS Research	ITCo	TSA	No	s 47F info@itco.com.au		Yes	
P&G Industry	IN	Executive	Yes	s 47F info@in.com.au		Yes	
P&G Industry	IN		No	s 47F info@in.com.au		Yes	Referred by Paul Kieran of ERI
Energy	CC Energy	Commercial	No	s 47F info@ccenergy.com		Yes	
Research	Global CCS Institute		No	s 47F info@globalccsinstitute.com		Yes	
Research	Global CCS Institute	Research	No	s 47F info@globalccsinstitute.com		Yes	Nominated David Kearns from the same institute
Research	Global CCS Institute	TSA	No	s 47F info@globalccsinstitute.com		Yes	Referred to by Alex Capanto
Hydrogen	CCZ Hydrogen Industry Cluster, LEAD Engineering Solutions, Windris Energy	Commercial	No	s 47F info@leadengineering.com.au		Yes	
Consultant	Independent consultant	Expert	No	s 47F info@leadengineering.com.au		Yes	
CCS Industry	Mineral Carbonation International	Commercial	No	s 47F info@mineralcarbonation.com		Yes	

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P&G Industry	Carton	Advocacy	Yes	s 47F info@carton.com		Yes	
P&G Industry	Shell	Expert	No	s 47F info@shell.com		Yes	The person RSVPed is not s 47F b
P&G Industry	Shell	TSA	No	s 47F info@shell.com		Yes	copies in so may be both will attend (?)
				s 47F info@shell.com			Not in the list originally. RSVPed instead of Maria Al Arant
s 22							
P&G Industry	Transborder Energy	Regulatory	No	s 47F info@transborderenergy.com		Yes	
P&G Industry	Transborder Energy	TSA	No	s 47F info@transborderenergy.com		Yes	Referred to by s 47F of Transborder Energy
CCS Industry	Uco technology	Expert	No	s 47F info@uco.com.au		Yes	
P&G Industry	Woodside	Executive	No	s 47F info@woodside.com.au		Yes	
P&G Industry	Woodside	TSA	No	s 47F info@woodside.com.au		Yes	Not on the list originally. Emailled asking to attend. Also referred to by s 47F
Industry	InterGen	TSA	No	s 47F info@intergen.com		Yes	Did not receive invite originally. Referred to by s 47F from Energy Council
Industry	InterGen	TSA	No	s 47F info@intergen.com		Yes	Did not receive invite originally. Emailled asking to participate
Industry	Uti Operations & Maintenance Pty Ltd	TSA	No	s 47F info@utioptions.com		Yes	Did not receive invite originally. Emailled asking to participate
Industry	Energy Corporate Carbon Advisory	TSA	No	s 47F info@energy.net.au		Yes	Did not receive invite originally. Emailled asking to participate
		TSA	No	s 47F info@corporatecarbon.com.au		Yes	Invited to the soil workshop but expressed interest in CCS instead. Sent an invitation on 8 Dec.
s 22							

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s 22									
Consultant	s 47F	Consultant	s 47F	Advocacy	No	s 47F	Yes	Yes	Note he need to leave at 3 PM AEST
P&G Industry	s 47F	Chiron	s 47F			@chiron.com			
s 22									
Peak body	s 47F	ASN	s 47F	Advocacy	Yes	@asn.net.au			
P&G Industry		Akrow Energy		Regulatory	No	info@akrowenergy.com.au			
Peak body		Australian Energy Council		Expert	No	s 47F @auecouncil.com.au			
Engineering		Australian Future Energy		Expert	No	s 47F @australianfutureenergy.com.au			
Hydrogen		Australian Hydrogen Council		Advocacy	No	s 47F @ahcouncil.com.au			
Research		Australian Steel Institute		Expert	No	s 47F @ahsi.org.au			
P&G Industry		Beach Energy		Expert	No	info@beachenergy.com.au			
Resources		BHP		Commercial	No	s 47F @bhp.com			
Resources		BMA Coal		Expert	No	s 47F @bhp.com			
Resources		BP		Policy	No	s 47F @bp.com			
P&G Industry		Bridgeport Energy		Executive	No	s 47F @bridgeport.net.au			

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Manufacturing industry	s 47F	Bureau of Steel Manufacturers of Australia	TBA	No	info@boma.org.au			
Resources		Chamber of Minerals and Energy of Western Australia	Advocacy	No	s 47F @cmea.com	No - website says to use - chamber@cmea.com		
Research		Chemistry Australia	Expert	No	s 47F @chemistryaustralia.org.au			
s 22								
Research		CO2CRC	Expert	Yes	s 47F @co2cra.org.au			
Research		COAL21/Low Emission Technology Australia	Expert	No	s 47F @coal21.com	No - name seems to be correct but he has perhaps		
Research		COAL21/Low Emission Technology Australia	Expert	No	s 47F @coal21.com			
s 22								
CCS Resources		CTICG	Expert	No	s 47F @cticg.com			
s 22								
Investment		Energy Institute	Commercial	No	s 47F @energyinstitute.com			
s 22								
P&G Industry		ExxonMobil	Expert	No	s 47F @exxonmobil.com			
Hydrogen		Hydrogen Australia		No	info@hydrogenaustralia.org.au			

Hydrogen	s 47F	Hydrogen Energy Supply Chain	s 47F	Expert	No	s 47F	info@h2u.org.au				
Emissions intensive industry		Industrial Plant		Expert	No	s 47F	info@h2u.org.au				
P&G Industry		INPER		Expert	Yes	s 47F	info@inper.com.au				
Investment		Power		Commercial	Yes	s 47F	info@power.com.au				
P&G Industry		Timber Trail Services		Commercial	No	s 47F	info@timbertrail.com.au				
Resources		Minerals Council of Australia		Advocacy	Yes	s 47F	info@minerals.org.au				
Resources		Mitsubishi Development		Regulatory	No	s 47F	info@mitsubishi.com.au				
s 22											
Hydrogen		Origin		Advocacy	No	s 47F	info@origin.com.au				
Resources		Queensland Resources Council		Advocacy	No	info@qrc.org.au		No	info@qrc.org.au		
Research		ENIT		Expert	No	s 47F	info@enit.edu.au				
P&G Industry		Santos		Executive	Yes	s 47F	info@santos.com.au				
Resources		South Australia Chamber of Mines & Energy		Advocacy	No	s 47F	info@saome.org.au				
Research		University of Queensland		Expert	No	s 47F	info@uq.edu.au				
Research		University of Queensland		Expert	No	s 47F	info@uq.edu.au				
P&G Industry		Woodside		Expert	No	s 47F	info@woodside.com.au				
Industry		McCullough Robertson		TSA	No	s 47F	info@mcclough.com.au				
Industry		CSI				s 47F	info@carbonmarketinstitute.org				

Invited as instructed by s 47F on 8 Dec.
Invited as instructed by s 47F on 8 Dec.

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TIMELINE OF CCS METHOD DEVELOPMENT AND ERAC INTEREST DISCLOSURES

February 2019

- Santos releases its 2019 Climate Change Report. The report states that 'Santos is actively pursuing a project to capture CO2 emissions from the Moomba processing plant and inject it into Cooper Basin oil reservoirs to enhance oil production from these reservoirs'.

February 2020

- Santos releases its 2020 Climate Change Report. The report states that Santos plans to invest in technology such as 'Carbon capture and storage (CCS) to capture carbon dioxide that would otherwise be emitted and safely and permanently store it underground or use it to increase the productivity of underground oil deposits'.

It also states 'Santos is collaborating with experts including Occidental Petroleum, which has world-leading operational expertise in CO2 injection in the United States.' Occidental is a self-declared industry leader in enhanced oil recovery.

- The *Report of the Expert Panel examining additional sources of low cost abatement* (The King Review) is released. The Review recommends the development of an Emissions Reduction Fund (ERF) method for carbon capture, utilisation and storage (CCUS).

21 April 2020

- Santos and CO2CRC participate in a 'Carbon Capture and Storage Workshop' at the Department of Industry, Science, Energy and Resource's (DISER) invitation. DISER is the department tasked with ERF method development.

May 2020

- The Australian Government responds to the King Review, stating that 'the Government has already given industry early-stage involvement in the initial scoping of a Carbon Capture and Storage/Carbon Capture, Use and Storage (CCS/CCUS) method'.

4 June 2020

- A Santos representative meets with DISER via teleconference to discuss the Moomba project. Meeting notes indicate that the 'project won't go ahead without some external assistance, such as ERF funding'. Meeting notes recommend adding Santos to the CCS method Technical Working Group.

15 June 2020

- David Byers, CEO of CO2CRC and Margaret Thomson, CEO of Cement Industry Federation are appointed as members to the Emissions Reduction Assurance Committee (ERAC)

9 July 2020

- DISER secretary David Fredericks meets with Santos Managing Director Kevin Gallagher at Santos' request to discuss 'energy and emissions reduction issues facing Santos'. Kevin Gallagher is also Chair of the CO2CRC Carbon Capture and Storage Policy Forum at the time of the meeting.

10 July 2020

- DISER distributes a 'Method scoping paper: Carbon Capture and Storage / Carbon Capture, Utilisation and Storage' to 'stakeholders' for feedback.

28 July 2020

- At the July ERAC meeting David Byers discloses an interest with CCS method.

- Paul Graham (CSIRO representative) also discloses an interest with the CCS method at the meeting as 'CSIRO is a patent holder in relation to CCS technologies and would benefit from deployment of CCS projects'.
- ERAC meeting minutes note that Margaret Thomson acknowledges 'possible future conflict with the Carbon Capture, Utilisation and Storage method'.

28 September 2020

- September ERAC meeting minutes note that David Byers declares he no longer has a conflict with the CCUS method as he has stepped down from the CO2CRC CCS policy working group.
- Minutes acknowledge CSIRO/Paul Graham's disclosed conflict with CCUS method development.

2 December 2020

- The Clean Energy Regulator (having taken over ERF method development from DISER) sends invitations to participate in the CCS method co-design workshop (the language in relation to the method is now CCS, not CCUS or CCS/CCUS).
- David Byers accepts the invitation to the workshop from his CO2CRC email address.

8 December 2020

- Margaret Thomson accepts the invitation to the co-design workshop from her Cement Industry Federation email address.
- ERAC meeting minutes from the December meeting note that Margaret Thomson has disclosed an interest in the Industrial Electricity and Fuel Efficiency method and will abstain from making decisions on the method.
- Minutes acknowledge CSIRO/Paul Graham's disclosed conflict with CCUS method development.

15 December 2020

- David Byers is appointed chair of the ERAC.

17 December 2020

- The first CCS method co-design workshop is held.
 - David Byers attends as a CO2CRC representative.
 - Margaret Thomson attends representing both the Cement Industry Federation and the ERAC.
 - It is unknown whether Allison Hortle attended representing CSIRO.

1 January 2021

- Allison Hortle is appointed to the ERAC as the CSIRO representative, replacing Paul Graham. Despite Paul Graham's previous disclosure on behalf of CSIRO Allison Hortle does not disclose any CSIRO interest, or her 14 year period of employment with CO2CRC. Allison Hortle does not make any interest disclosures in subsequent meetings.
- Brian Fisher is appointed to the ERAC. No disclosure of interests is noted in ERAC meeting minutes.

11 January 2021

- The Australia Institute contacts the Clean Energy Regulator (CER) to participate in the second CCS co-design workshop.

21 January 2021

- MS Teams meeting between Australia Institute and CER representatives, requesting participation in CCS method co-design workshop.

22 January 2022

- Follow up email from Australia Institute to CER requesting participation in CCS method co-design workshop, highlighting relevant experience.

27 January 2021

- The Australia Institute contacts the Clean Energy Regulator (CER) again asking to participate in the second CCS co-design workshop. The request is rejected via phone call between the Institute representative and CER representative.

29 January 2021

- The Australia Institute writes to the CER asking for the reasons the Institute was blocked from attending the workshop. No reply is received until 27 April 2021.

9 February 2021

- ERAC meeting with no new interest declarations noted.

9 March 2021

- ERAC meeting with no new interests disclosed.
- David Byers "updated members on the question of whether he may have a perceived conflict of interest in relation to the carbon capture and storage (CCS) method. [He] undertook to further update members on how this will be managed at the April ERAC."

22 March 2021

- The second CCS co-design workshop is held. No attendee list is provided in FOI documents, but RSVP emails from ExxonMobil, Bridgeport Energy, Origin Energy, EDL Energy and Corporate Carbon are included.

13 April 2021

- ERAC meeting minutes note that David Byers proposes to abstain from decision-making on, but not discussion of, the CCS method due to a perceived conflict of interest in relation to the method. Committee accepts this proposal.

27 April 2021

- The CER responds to the Australia Institute's email from 29 January indicating that the Australia Institute was not required as an independent observer at the co-design session because ERAC members would hold the method development process to account.

11 May 2021

- ERAC meeting. Allison Hortle notes a potential conflict of interest on biomethane method due to CSIRO interests. Committee agrees that there is no conflict for Allison Hortle.
- No changes to interests relating to CCS method recorded. David Byers decision to abstain from decision making appears in the Interest Register.

24 May 2021

- ERAC meeting. David Byers abstained from decisions relating to the public consultation for the CCS method.

8 June 2021

- Energy Minister Angus Taylor visits Santos' Moomba site, states that CCS method development is well advanced, will be in place by the end of the year and that this will "put the [Santos] project in a position to immediately proceed."

21 June 2021

- ERAC meeting with no changes to interests disclosed relating to CCS method.

13 July 2021

- ERAC meeting with no changes to interests disclosed relating to CCS method.

31 July 2021

- David Byers steps down as CEO of CO2CRC, but retains a role as part-time advisor to the organisation.

17 August 2021

- ERAC meeting with no changes to interests disclosed relating to CCS method. David Byers advises of his change in role at CO2CRC.

6 September 2021

- ERAC meeting with discussion of interests. David Byers raises his role at CO2CRC and Allison Hortle notes that CSIRO is involved in “many of the proposed methods”.

17 September 2021

- The ERAC review the final draft of the CCS method for decision. Mick Keogh acts as chair in David Byer’s absence. The committee agreed that the draft CCS method meets the Offsets Integrity Standards and to recommend to the Minister that the method be made.
- This is the final ERAC meeting minutes included in the FOI documents.

29 September 2021

- The new CCS method comes into effect.

1 October 2021

- Santos announces that it is commencing the registration of the Moomba CCS Project under the ERF.

2 November 2021

- Kevin Gallagher and Angus Taylor jointly announce the final investment decision on the Moomba CCS Project. Angus Taylor’s office issues a media release ‘welcoming’ the decision on behalf of the Morrison Government.

8 December

- The Australia Institute releases its report *Santos’ CCS Scam*, documenting Santos’ public history of referring to the Moomba Project as enhanced oil recovery.

13 December

- The Clean Energy Regulator issues a public statement in relation to the *Santos’ CCS Scam* report.

21 December 2021

- Australian Conservation Foundation obtains the full pack of FOI documents relating to ERAC disclosure of interests as part of an independent investigation.