

US-based Climate Trust Capital inks another offset deal, completing targeted trilogy of sectoral investments

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US-based private investment fund Climate Trust Capital (CTC) has inked another carbon credit deal, expanding its portfolio into the livestock biogas sector.

The firm, an independent entity of Oregon-based non-profit The Climate Trust, has agreed to invest more than \$862,000 from its Fund I in the West-Star North Dairy Biogas Project – a covered lagoon digester that will produce offsets under California’s cap-and-trade system.

The captured methane will be converted to deliver renewable electricity to utility Pacific Gas and Electric.

CTC said the investment is based on the anticipated 10-year value of the credits from the project, which is expected to begin generating offsets in Jan. 2018 and cash flow from sales sometime in 2019.

No further details were provided, including the project’s forecast credit yield.

“We have officially made investments in each of our three preferred sectors – [forestry](#), [grassland conservation](#), and livestock,” Sean Penrith, executive director for The Climate Trust, adding that 30% of the fund was now committed to projects.

“Digesters will make up a significant portion of Fund I’s portfolio, and we are pleased that our investment can play a critical role in getting quality projects off the ground, with an eye toward ensuring the best possible premiums from the sale of generated credits,” added Kristen Kleiman, director of investments for The Climate Trust

CTC’s Fund I, the first in a series of funds, focuses on investing in “high-quality” US-based carbon offset projects. It was launched in Oct. 2016, seeded by a \$5.5 million investment from the David and Lucile Packard Foundation and supported by a grant from the USDA’s Natural Resources Conservation Service.

“Climate Trust Capital looks forward to future investments in carbon that align with our conviction that carbon prices are undervalued and will provide investors with long-term, risk-adjusted returns,” Penrith said.

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