

Climate Trust Capital announces investment in second California digester offset project

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US-based private investment fund Climate Trust Capital (CTC) has made a second investment in California's biogas sector.

The firm, an independent entity of The Climate Trust, said it invested some \$1.12 million from its Fund I into the Carlos Echeverria and Sons Dairy (CE&S) Biogas Project – a covered lagoon digester that will produce offsets under California's cap-and-trade system.

Methane captured from the digester will be converted to deliver renewable electricity to utility Pacific Gas and Electric.

Similar to [CTC's first digester project](#), the CE&S investment is based on the anticipated 10-year value of the carbon credits from the digester project, which is expected to begin producing offsets this month and generate cash flow from sales next year.

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

"California legislation AB-398 provides a significant advantage for in-state projects with an assured market through 2030," said Peter Weisberg, senior portfolio manager for The Climate Trust, referring to the bill agreed last summer that extends the state's carbon market beyond 2020.

"This desirable political landscape, in combination with creditable counterparties, and the host of beneficial revenue streams tied to operating digester projects, made the decision to invest in the CE&S livestock digester project a no-brainer."

CTC's Fund I, the first in what's expected to be a series of carbon finance funds, focuses on investing in "high-quality" US-based 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.

CTC said the fund targets three “preferred” sectors: forestry, grassland conservation, and livestock.

“Climate Trust Capital has made significant progress investing our fund this year, with 51% invested and the remaining funds committed to quality carbon offset projects that conserve critical grasslands, protect forest habitat, and provide clean energy,” said Sean Penrith, executive director for The Climate Trust.

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