

Climate Trust announces livestock deal

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Dan McGraw

dan.mcgraw@icis.com

The Climate Trust will invest \$1.12m in a California livestock project that will be developed in conjunction with California Bioenergy and will begin generating credits this month, the company announced Tuesday.

The Climate Trust Capital, a private investment fund tied to The Climate Trust, announced it would funnel \$1.12m into the Carlos Echeverria and Sons Dairy (CE&S), a large farm in California central valley. The project would develop credits under the California cap-and-trade programme.

The company said the project would begin generating credits this month, but it did not disclose an estimate for the project volume. The sale of those offset credits would not generate revenue until 2019. None of the credits have been sold prior to their issuance, officials said. Offsets will be sold during the life of the project.

The project would use a system to capture the methane and then feed it into a high-efficiency generator to produce renewable electricity. The electricity generated from the project would be sent to Pacific Gas and Electric.

Peter Weisberg, a senior portfolio manager for The Climate Trust, said the passage of Assembly Bill 398 (AB 398) and its offset language added further support for the large livestock project.

“California legislation AB 398 provides significant advantage for in-state projects with an assured market through 2030,” Weisberg said. “This desirable political landscape...made the decision to invest in the CE&S livestock digester project a no-brainer.”

AB 398 lowered the offset usage limit from 8% to 4% in 2021 and required half of post-2020 offset limit to come from projects that benefit the state. The Air Resources Board, the cap-and-trade regulator, has not defined what projects would fit into that category.

That uncertainty about in-state credits has caused some offset developers to pause development until they get further clarity.

The Climate Trust said it anticipates allocated all \$5.5m in the Climate Trust Capital fund by early this year. So far, roughly half of those funds have already been invested in carbon offset projects. Most of the funds would go to livestock projects.