Landfill Offsets in the US Voluntary Carbon Market: Demand, Standards and Opportunities

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Original reporting, reposting market news, bi-weekly newsletters (V-Carbon)

Articles and analysis

State of the Voluntary Carbon Markets reports
A Recap of 2009 and 2010

• Transaction volumes declined 26% in 2009
• LFG and A/R transaction volumes increased
• Average OTC prices declined to $6.5/tonne – LFG prices above average at $6.8 to $6.9/tonne
• Predominant project types were A/R, wind and methane
Take out US-based pre-compliance buys, landfill methane credits still king

Transaction Volume by Project Type, excluding pre-compliance landfill

- Landfill: 25%
- Affor/Refor: 11%
- Wind: 9%
- Run-of-river: 7%
- Avoid. Def.: 7%
- Livestock: 7%
- EE & Fuelswitch: 7%
- Coal mine: 5%
- Geo-seq: 4%
- Forest Mgmt: 4%
- Allowance: 4%
- Ag Soil: 4%
- RE - all others: 4%
- Wastewater: 3%
- Agro-forestry: 3%
- Remaining - all others: 3%
- Not specified: 2%

US leads in offset purchases, largely attributed to pre-compliance motives

Even discounting for pre-compliance, US leads in landfill methane purchases

Customer Location, % of 10.2 MtCO2

- 68% US
- 29% EU
- 1% Other
- 1% AU / NZ
- 1% Canada

Two standards account for two thirds of the market

Transaction volume by standard utilised

- VCS: 35%
- CAR: 31%
- CCX: 12%
- GS: 7%
- Internal: 4%
- ACR: 4%
- None: 3%
- CCB: 2%
- ISO-14064: 2%
- Social Carbon: 1%
- Remaining: 0.6%

CAR dominates US voluntary market for landfill credits

Transaction volume by standard utilized, US landfill credits

- CAR: 87%
- CCX: 2%
- VCS: 4%
- ACR: 1%
- Climate Leaders: 6%

Looking Forward

• Increased demand for LFG and increasing prices in 2011
  – Activity so far in 2011
  – Influence of CRT purchases for pre-compliance on voluntary carbon sales
  – Impact on VCS credit sales

• Strategies to minimize risks / reduce costs in current market
  – Timelines for project listing / verification / registration
Local solutions, local revenues
Straightforward project type
Potential for multiple revenue streams

“Decatur County Attorney Brown Moseley said he had worked with Blue Source on revisions to the contract and said he believed selling carbon credits was a ‘no-lose’ deal for the county.”
~Decatur, GA Post Searchlight, Jan. 11, 2011

“Google to offset 45,000 homes using carbon credits made from waste.”
~Treehugger June 1, 2010

“The use of landfill gas as a recognized alternative fuel for electricity production provides valuable carbon credits through the destruction of methane, a greenhouse gas, and generates additional revenues through electrical power production which is delivered to the electric power grid locally.”
A Great Thanks to Suppliers!!!

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