



Blue Source, Goldman in \$12 million carbon deal

Mon, Oct 12 2009

WASHINGTON (Reuters) - The president of carbon offset developer Blue Source said his company and Goldman Sachs Group have completed a transaction of carbon credits worth \$12 million that he called the largest publicly announced U.S. offset deal.

Blue Source generated the offsets from U.S.-based projects involving stopping forests from getting cut down, and capturing and burning a potent greenhouse gas given off by landfills and coal mines.

The forestry offsets were generated by convincing farmers in North Carolina not to cut down tree stands, even though they had permits to do so, Greg Spencer, president of Blue Source, said.

Goldman marketed the credits for Blue Source, which were then sold to CE2 Carbon Capital, a U.S. investor and owner of carbon commodities. Goldman bought a minority stake in Blue Source last year.

The companies would not reveal how many of the credits were sold or the prices each type of offset garnered.

Spencer said the three types of offsets were represented roughly equally in the deal.

The companies said the deal was a sign that businesses are moving forward with a wide range of carbon offset deals, even though the U.S. Congress still has to determine what kinds of offsets would be allowed in any national carbon market.

"From the legislative standpoint ... forestry and agriculture are often among the favorite types among Congress," said Spencer. "But I think you are also seeing a number of indications that that list will be expanded probably in any final legislation."

Democratic Senators John Kerry and Barbara Boxer have unveiled climate legislation that built on a bill that passed narrowly in the House of Representatives in June. Whether the bill will win the 60 votes necessary to pass in the Senate is uncertain.

The projects meet quality standards of the Climate Action Reserve and Voluntary Carbon Standard. The transaction included credits from the Alligator River Forestry project in North Carolina, which is the first forestry project to be listed on the CAR outside of California.

© Thomson Reuters 2009. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.