

PointCarbon

25.03.08 NZ, Swiss companies announce first international CER transfer

New Zealand carbon trading company Carbon Market Solutions and South Pole Carbon Asset Management, a project developer, have today completed the first international Kyoto carbon credit transfer, according to a release from the companies.

An undisclosed number of certified emission reductions (CERs) from a UN-approved emission reduction project were transferred from the Swiss registry to the New Zealand registry, representing the first time that Kyoto credits have successfully been transferred internationally.

“It is also the first transaction ever in the New Zealand Emission Unit Register and the first ever successful transaction from the Swiss national registry,” the companies said in a press release.

The project involves the sale of Gold Standard CERs generated from a 4.5-MW biomass power generation project located in India.

The clean development mechanism project avoids emissions of carbon dioxide by producing power from cane trash and coconut frond instead of fossil fuel. The Gold Standard is an environmentalist-backed standard for offset credits that have additional and stricter criteria on sustainability than the UN.

“We are delighted to be able to undertake in conjunction with South Pole Carbon the first ever transaction between two Kyoto national registries which is also the first ever transaction in New Zealand’s Kyoto Emission Unit Register,” said John O’Brien, managing director of Carbon Market Solutions.

Christoph Sutter, chief executive officer of South Pole Carbon Asset Management Ltd, said: “We are proud to announce the trading ‘kick-off’ for this multi billion market. As an innovative and forward looking niche company we are very happy to continue to pioneer the carbon market by executing the first international secondary CER trade.”

The transfer of CERs has so far been stunted by UN procedures.

In order for countries to be eligible for Kyoto trade, they face a 16-month long wait from the date of submitting internal documents, known as the initial report, to the UN. However, many countries, particularly in Europe, submitted the report in late December 2006, meaning they will not qualify to become eligible until next month.

Other European countries, such as Hungary, are already eligible, but due to a delay in linking the EU registry – the community independent transaction log – to the UN international transaction log, no credits can be transferred.

In addition to New Zealand and Switzerland, Japan is cleared for international transaction of CERs.

(Source: Point Carbon, London, March 2008)