

CDM/JI/AU

Offset seller myclimate inks \$2.5m cookstove CDM deal

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Swiss-based carbon offset seller myclimate has signed a \$2.5 million deal to buy U.N.-backed carbon credits until 2018 from a programme that distributes fuel efficient cookstoves in El Salvador, the company said in a joint statement.

Terms of the deal weren't disclosed, but according to a Thomson Reuters Point Carbon database, the El Salvador programme has the potential to deliver 250,000 credits through the Kyoto Protocol's Clean Development Mechanism (CDM) by 2018, implying a price per credit of \$10 (7.60 euros).

That price is more than double the current level for exchange-traded secondary CERs, which changed hands at 3.75 euros Tuesday morning on ICE Futures Europe.

The cookstove programme, which is being developed by California-headquartered UpEnergy and is expected to be widened to other central American countries, hasn't yet been registered by the CDM Executive Board.

But in the joint statement the companies said they expected the scheme to be approved by the end of the year.

"The platform is designed to offer local cookstove manufacturers and project developers alike an opportunity to benefit from carbon finance beyond the upcoming 2012 cut-off for middle income countries," said Nicole Ballin of UpEnergy.

CDM projects and programmes that are registered after 2012 will only be eligible to supply the EU Emissions Trading Scheme if they are located in least developed countries, a list which doesn't include El Salvador.

The programme aims to reduce emissions by handing out fuel efficient cookstoves.

These stoves are said by developers to decrease wood consumption by about 50 percent and reduce indoor air pollution, a leading cause of death and disease in the Latin American country.

The programme's participants will also seek certification by the Switzerland-based Gold Standard, which gives its stamp of approval to CDM and voluntary market cleaner energy schemes judged to make a major contribution to sustainable development.

So far 55 cookstove schemes have been audited by third party verifiers, of which 11 have been registered by the CDM Executive Board.

Three of the U.N. approvals apply to CDM programmes, a newer form of the mechanism that groups together multiple emission reduction measures across large areas.

El Salvador is home to one of the three CDM cookstove programmes approved so far.

Last month, the Executive Board for the first time rejected an application by a cookstove programme to be included in the CDM after it blocked a scheme based in Zambia.

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