



Eneco to buy 1.5 million CERs from cookstove project

14 February, 2012

The trading arm of Dutch utility Eneco has launched a joint initiative with project developer UpEnergy to distribute half a million cookstoves in Uganda, from which Eneco will buy all of the credits. The Programme of Activities (PoA) is expected to generate up to 1.5 million certified emissions reductions (CERs) by the end of 2020, a spokesman for Eneco said.

Eneco will also provide San Francisco-based UpEnergy with some upfront financing for the project, but did not disclose the amount.

The estimated total economic value of the project for the developer, including both the value of CERs generated and the revenues from the cookstoves sales, is €15 million (\$19.7 million) and will provide low-income communities in Uganda with energy-saving cookstoves, replacing the open fires and stoves running on wood and charcoal that 95% of the country uses, said Eneco.

UpEnergy has a pipeline of additional cookstove and water treatment projects under development in Africa, Asia and Latin America.

The developer registered the first three Gold Standard energy-saving cookstove projects, led each of those programmes to profitability and has managed 20 additional cookstove projects.

“From our experience in the carbon markets, we know how difficult it is to implement PoAs successfully,” said Mark Meyrick, head of carbon at Eneco, which in 2009 agreed to buy CERs from the first PoA registered, in Mexico. “Therefore, we are confident that bringing our respective experiences to bear will make this a successful programme and partnership.”

The project is in an “advanced stage of validation” and should be registered before the end of this year, said Eneco.