

[Carbon Markets: New deal could breathe life into offset market](#)

Climatewire

In what could be a sign of things to come, a San Diego-based carbon credit brokerage announced a deal yesterday to purchase a large volume of Certified Emission Reductions (CERs), the international greenhouse gas offsetting credits generated by the United Nations' Clean Development Mechanism, from an international carbon abatement project developer. The transaction would be otherwise unremarkable, except that the deal calls for the purchase of CERs generated from 2013 to 2017. Like the Kyoto Protocol, which created it, the Clean Development Mechanism is set to expire at the end of 2012. But with countries still fighting over the shape of a post-Kyoto regime, there is no guarantee that the mechanism will still exist beyond the next three years... the deal calls for CE2 to acquire 500,000 CERs generated by Climate Bridge, the source of which is undisclosed. At today's CER prices, the offset credits -- equal to 1 metric ton's worth of CO₂-equivalent greenhouse gas emissions averted -- would be worth just under \$8 million in the global carbon markets... Still, CE2 executives say their primary assumption is that an international treaty will be concluded that extends the life of the Clean Development Mechanism and the European Union's Emission Trading System (ETS). Even supposing a new international treaty does not become a reality, many in the carbon trading community expect Europe's trading system to continue to allow the importation of CERs at least until 2020.