

# First Agreement for the Sale of Carbon Credits

*By Lei Wu*

At the beginning of 2010 Green Gas signed Emission Reduction Purchase Agreements (ERPA) for the sale of carbon credits from the La Pradera and Curva de Rodas landfill gas flaring project in Medellin, Colombia. The agreements were signed with Climate Change Investment and the Carbon Credit Fund CV.

The ERPA allows Green Gas to convert the hard work of finding financing, achieving UNFCCC registration, constructing the project, operating the project and monitoring, into tangible revenues for the company.

Green Gas captures and flares methane in order to reduce greenhouse gas emissions from the landfill site. The average annual emission reductions from the project are estimated at some 160,000 tonnes CO<sub>2</sub> from 2009 to 2016. The ERPA with Climate Change Investment covers the period before 2013 and with the Carbon Credit Fund CV the period post-2012. This project has been developed in partnership with the University of Antioquia, contributing to education and research in the area of the emerging carbon market.

Commenting on these agreements, Chris Norval, chief executive of Green Gas said: „The successful execution of the project demonstrates Green Gas' ability to operate successfully in this region and further strengthens our credentials as a supplier of effective, fully integrated solutions.”

*Explanation:*

*Emissions Reduction Purchase Agreement is a Contract for the sale of CER carbon credits from UN CDM and JI projects. Heavily used for forward sales of CERs not yet issued, in projects under development, as a means of project financing. The price of such primary CERs is discounted in ERPAs to reflect the risks of non-delivery.*