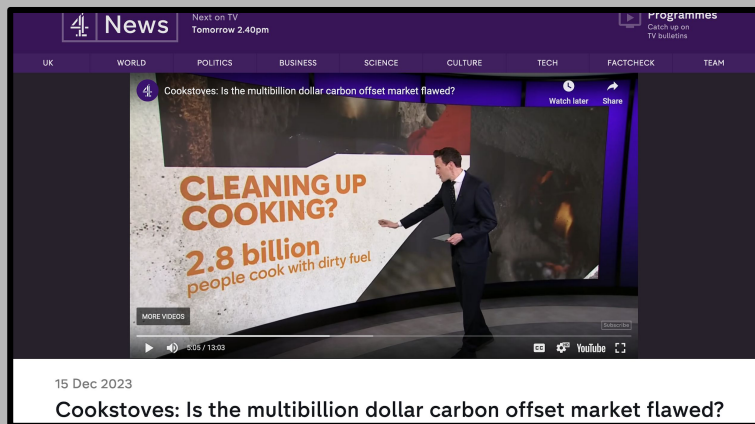


The background of the slide is a high-angle, close-up photograph of numerous metal containers, likely small pots or pans, each filled with dark, irregularly shaped charcoal briquettes. The containers are arranged in a dense, overlapping pattern, creating a textured, repetitive visual. The lighting is warm and slightly dim, highlighting the rough, charred surfaces of the wood. The overall color palette is dominated by dark browns and greys of the charcoal, with some hints of the metallic sheen of the containers.

Carbon and clean cooking: Trends, market drivers, and insights

Last year research on carbon credits was released, raising concerns for key revenue streams.

ECOSAFI



Some suggested it was overblown. Was it?



Answer: (in)Actions Have Consequences

Bloomberg

Live TV Markets Economics Industries Tech Politics Businessweek Opinion More

Carbon Offsets: What Are Offsets? \$1 Trillion Market Junk Offsets Tarnished Seller Mega-Project Collapses

Green
ESG & Investing

Carbon Offsets Developer Reports Ex-CEO to Feds Over Bad Credits

C-Quest said Kenneth Newcombe engaged in alleged wrongdoing that resulted in millions of carbon credits that didn't deliver on their promised climate impact.

Verra cancels five million 'overissued' cookstove credits listed by C-Quest Capital



CARBON CREDITS .com CARBON PRICES STOCKS NEWS EDUCATION FEATURED

Home > Carbon Credits > Former C-Quest Capital CEO Accused of \$100M Carbon Credit Fraud Scheme

October 5, 2024 | Updated: October 7, 2024

Former C-Quest Capital CEO Accused of \$100M Carbon Credit Fraud Scheme

MarketWatch

Investing Personal Finance Retirement

'A disaster for us': How a carbon-credit pioneer allegedly stole millions of dollars by cooking the books

A program to distribute environmentally friendly stoves in developing countries turned into a scheme to steal carbon credits and bilk investors, prosecutors say

By Lukas I. Alpert (Follow)

Last Updated: Oct. 5, 2024 at 6:21 a.m. ET
First Published: Oct. 3, 2024 at 2:30 p.m. ET



Share



Resize



5



Listen

(5 min)



company, C-Quest Capital, aimed to gain carbon credits by giving out more efficient cookstoves to people in rural parts of Africa and Southeast Asia.

AGES

Ex-carbon offsetting boss charged in New York with multimillion-dollar fraud

Kenneth Newcombe, formerly CEO of C-Quest Capital, indicted over allegations of carbon credit manipulation

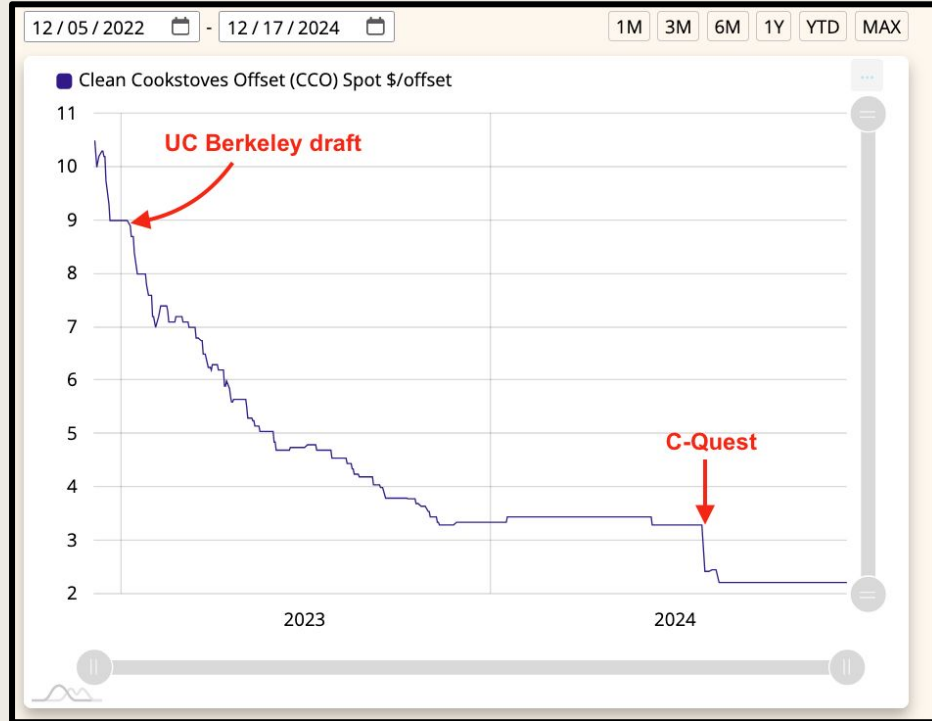


< Latest market news

Carbon registry Verra halts 27 CQC cookstove projects

Market: Emissions | 27/06/24

Then the market did what markets do...

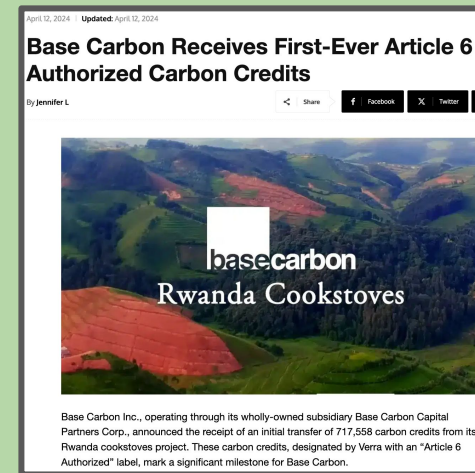


**Lack of confidence has cost the sector a lot.
How do we get it back?**

Source: QCintel

Hard Work Paying Off:

New VERRA. CLEAR. LOAs & A6. And coming soon: ICVCM CCPs.



This is important progress we should celebrate, but it's not over yet.

Tough Facts:

- An LOA does not = integrity
 - Still a range of monitoring available under CLEAR
- New VERRA still allows CDM TOOL30 - even with the discount, still too high

While the market has fundamentally changed, PDs can still choose to put their thumb on the scale.

Example: first MECD project used a sample for monitoring, not 100%.

They used an average of 82% for fNRB when MOFUSS says 7% for India.

So issuance isn't enough, and new players are reshaping the landscape.

WHICH methodology is used, HOW it is applied, and WHETHER it is externally validated will determine buyer interest and pricing.

Project ratings are now a fact of life. Are they worth the

In a word: YES.



?

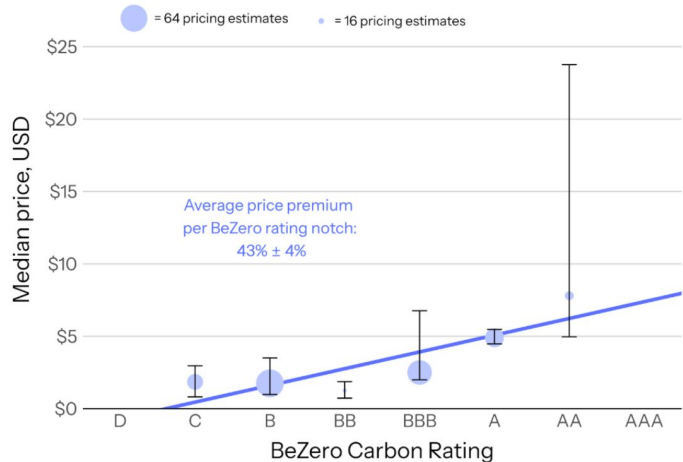
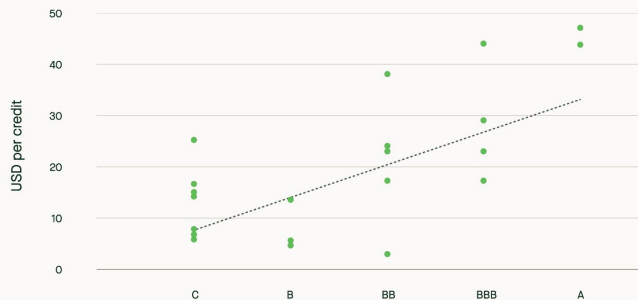


Figure 11. Median price and price interquartile range (indicated by range bars) by BeZero Carbon Rating at the time of transaction, for transactions undertaken in 2024 (up to end of November). Source: Transacted prices from Xpansiv CBL exchange.

7. On average, there's a price premium for higher quality

Buyers typically pay a quality premium, averaging +\$5 per rating band in ARR projects

ARR credit spot prices (for projects with price quotes in L12M)



What does this mean for buyers?

Buyers could expect, on average, to pay a higher price for credits that come from projects with lower risks (i.e., overcrediting, additionality and permanence risks).

This trend partly reflects the higher costs of developing high-quality projects, as well as the increased willingness-to-pay from buyers for better projects.

Nonetheless, there is still significant price dispersion within each rating level. While some of this may reflect a premium on other project attributes (e.g., co-benefits), this data suggests some buyers might be overpaying for their credits.

Note: each point on the scatter plot refers to a distinct ARR project rated by Sylvera. Pricing data restricted to quotes above 5,000 tons and vintages 2018 or above.

Source: average price quoted per project, based on data aggregated by Sylvera's Connect to Supply and network of brokers and traders.

Illustrative data

11 STATE OF CARBON CREDITS 2024

Screenshot

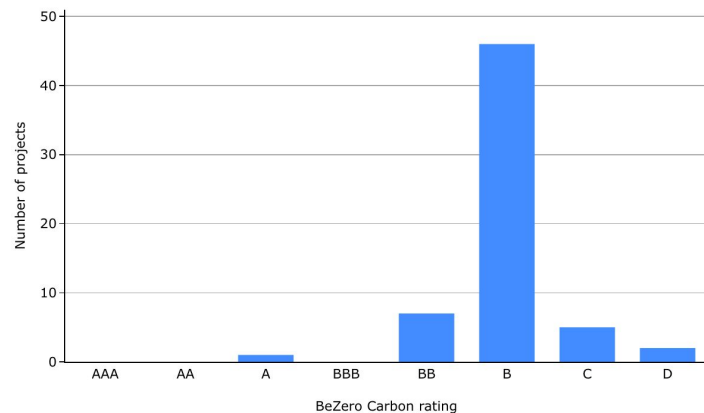
Sylvera

Ratings are a way to prove integrity. EX ANTE now available! Can be done privately.

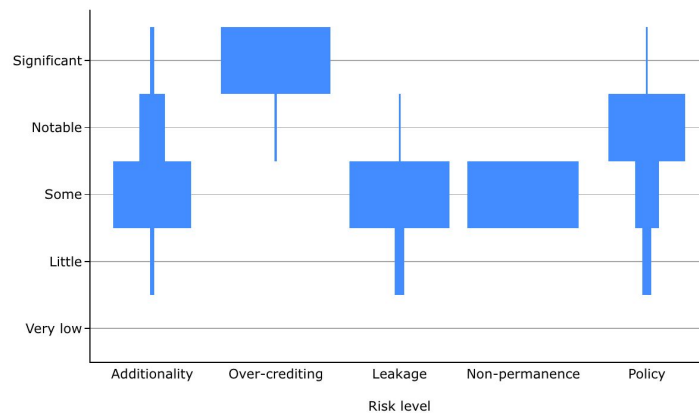
Source: BeZero, Sylvera

Work still to be done – a “B” is not a good grade

Rating Distribution



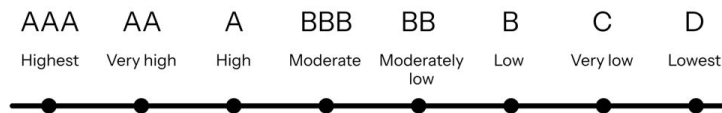
Risk Factor Distribution



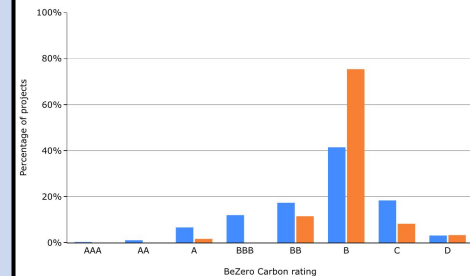
Rating symbol	Definition
BeZero Carbon Rating AAA	The credit issued by the project has the highest likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating AA	The credit issued by the project has a very high likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating A	The credit issued by the project has a high likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating BBB	The credit issued by the project has a moderate likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating BB	The credit issued by the project has a moderately low likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating B	The credit issued by the project has a low likelihood of achieving 1 tonne of CO ₂ e avoidance or removal. <i>This is where most of the sector rated so far is</i>
BeZero Carbon Rating C	The credit issued by the project has a very low likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.
BeZero Carbon Rating D	The credit issued by the project has the lowest likelihood of achieving 1 tonne of CO ₂ e avoidance or removal.

The BeZero Carbon Rating (BCR) represents BeZero Carbon's current opinion on the likelihood that a given credit achieves a tonne of CO₂e avoided or removed.

The BCR is conveyed using an eight-point alphabetic scale ranging from 'highest' to 'lowest' likelihood:



Rating Distribution



Source: BeZero

Another new tool for buyers: “Project Fundamentals.”

For the first time, it's easy to compare
apples to apples.

Browser address bar: <https://bezeroarbonmarkets.com/fundamentals>

Search projects & insights

Project Fundamentals

Projects Sub-sector: Filter 101 projects

Parameters 63 of 101 projects

Parameter	Baseline device type ①	Baseline fuel type ①	Project fuel type ①	Project-stated device model ①
Unit	-	-	-	-
Project ID	Year	-	-	-
GS1021		Traditional stove	Firewood	Biomass
GS10790		Traditional stove	Charcoal	Eco Char MMJ, Jikokoa G3.5, Jikokoa Xtra (G4)
GS10902		3-stone traditional fire, Other, Traditional stove	Biomass, Charcoal, Firewood	AES, BME, EZY, EnergyEmpire, FSL, Lugwana, SHS, S
GS10903		3-stone traditional fire	Firewood	Charcoal, Firewood
GS10904		3-stone traditional fire, Other, Traditional stove	Charcoal, Firewood	AES, BME, EZY, Energy Empire (EE), FSL, Lugwana (

Footer: © 2022-2024 BeZero Carbon Ltd

	Project fuel	Project-stated device model	fNRB- 2024
Project ID			Forecast
GS1021	Biomass	Greenway Jumbo StoveGreenway smart stove	88.0%
GS10790	Charcoal	Eco Char MMJikokoa G3.5Jikokoa Xtra (G4)	99.0%
GS10902	Charcoal	AESBMEEZYEnergyEmireFSLLugwanaSHSSH	88.0%
GS10903	Charcoal	AESBMEEZYEnergy Empire (EE)FSLLugwana (88.0%
GS10904	Charcoal	AESBMEEZYEnergy Empire (EE)FSLLugwana (88.0%
GS10917	Charcoal	AESBMEEZYEnergy Empire (EE)FSLLugwana (82.0%
GS10920	Charcoal	AESAll devicesBMEEZYEnergy Empire (EE)FSL	82.0%
GS10967	Charcoal	Community CookstovesEE StoveI CSRH StoveS	89.0%
GS11196	Firewood	HomeStoveJiko Borajiko Bora Mama Yaoljiko	91.5%
GS11352	Biomass	Mimi Moto stove	65.0%
GS11440	Ethanol	GS11440 - KOKO Cooker	92.7%
GS11902	Firewood	Chitetezo Mbaula	73.0%
GS11903	Firewood	Chitetezo Mbaula	73.0%
GS11904	Firewood	Chitetezo Mbaula	73.0%
GS11905	Firewood	Chitetezo Mbaula	73.0%
GS11906	Firewood	Chitetezo Mbaula	73.0%
GS11907	Firewood	Chitetezo Mbaula	73.0%
GS11915	Firewood	Chitetezo Mbaula	81.0%
GS11916	Firewood	Chitetezo Mbaula	81.0%
GS11919	Firewood	Chitetezo Mbaula	81.0%
GS11920	Firewood	Chitetezo Mbaula	81.0%
GS11923	Firewood	Chitetezo Mbaula	81.0%
GS11924	Firewood	Chitetezo Mbaula	81.0%
GS11925	Firewood	Chitetezo Mbaula	81.0%
GS11926	Firewood	Chitetezo Mbaula	81.0%
GS11927	Firewood	Chitetezo Mbaula	81.0%
GS11930	Firewood	Chitetezo Mbaula	81.0%
GS11931	Firewood	Chitetezo Mbaula	81.0%
GS11994	Biomass	ACE One	81.0%
GS2441	Firewood	EcocinaONILPatsariPlanchaTierra compactada	89.1%
GS3023	Firewood	M5000-BABBAA	92.0%
GS5642	Charcoal	Jikokoa	97.0%
GS6271	Biomass	SAVE80	98.0%
GS6604	Charcoal	EU size 2	88.0%
GS7312	Charcoal	Toyola Coalpot - Commercial Large (CL)Toyola	77.7%
GS879	Firewood	Tembea stove	92.0%
VCS1216	Firewood	ONIL stoves	70.0%
VCS1720	Firewood	Onil stove	91.3%
VCS1863	Biomass	Greenway Jumbo StoveGreenway Smart Stov	86.0%
VCS2342	Firewood	TLC-CQC Rocket Stove	91.0%
VCS2350	Firewood	TLC-CQC Rocket Stoves	89.0%
VCS2939	Firewood	AGNEEKAA ECO MINI STOVE MODEL4	85.2%
VCS4150	Firewood	Kuniokoa Generation 2SSM S32-X	88.7%

Source: BeZero

NEW TOOL FOR BUYERS THIS WEEK

Formal Ratings for Methodologies

The screenshot displays the Calyx Global website. The main header includes the Calyx Global logo, navigation links for Product, Approach, Insights (with a dropdown arrow), About, and Contact, and a Log in button. The main content area features the headline "A new way to find carbon credit quality" with a horizontal line underneath. Below this, a laptop screen shows a detailed view of the "Programs" section. This section is titled "Screening of carbon crediting programs" and includes a paragraph explaining the screening process. A table follows, listing three carbon crediting programs with their respective screening results: Gold, Silver, and Bronze.

Program	Summary	Screening result
Carbon crediting program 1	ABC meets all of the most important screening criteria. However, the program's transparency regarding credit retirements and available documentation on the registry could be improved.	GOLD
Carbon crediting program 2	ABC meets nearly all of the 31 criteria in our screening, including all of the most important screening criteria. However, as with all carbon crediting programs that we have assessed to date, it generates revenue in a way that could generate a financial conflict of interest.	SILVER
Carbon crediting program 3	ABC meets all of the most important screening criteria. However, the program's transparency regarding credit retirements and procedures to prevent double issuance could be improved.	BRONZE




MEASURE TWICE, CUT
ONCE

Hard lessons learned:

- issuance isn't enough to prove quality
- methodology matters
- external validation can help

When in doubt, measure more.

October 9, 2024 – Signs multi-year offtake agreement for \$35

A woman with dark hair, wearing a green apron over a dark shirt, is smiling while cooking. She is holding a piece of food, possibly a tortilla, over a green clean cookstove. The stove is a large, cylindrical, green metal unit with a black top and a black handle. In the background, there is a wooden wall and a white container on a table.

Active

Clean cookstoves in East Africa

Kenya & Uganda · Technology · \$50 USD per ton

October 9, 2024: A new generation of cookstove projects.

In January 2023, when paused funding for cookstove projects due to [field-wide over-crediting issues](#), Now, we're excited to welcome a project that counters these issues with rigorous monitoring and extensive peer-reviewed research. This project sets a new standard in the sector with household-level baselines, fuel use monitoring, and conservative data. Our project partner also uses a Gold Standard methodology and has earned an A rating from [i4x2](#). We look forward to this new generation of high-quality cookstove projects, with our partners leading the way.

We learned a lot thought the ratings process and changed our program based on feedback.

The Math Can Be Hard

(Baseline x fNRB x emissions factors x proof of use, etc.), but an easy sense check:

fNRB starts with 7,8,9?
Starts with 2,3,4?

May need to realign
That's a solid floor

Recapping How To Generate Higher ER Values

1. Use methodologies that inspire buyer confidence
2. 100% SUMs - the future is now (low-cost, high-quality SUMs available today)
3. Choose defensible, credible metrics



SUMs can put the M in MRV

ECOSAFI

ECOSAFI

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