



For Immediate Release

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Contact: Kasey Krifka | 503-238-1915 ext. 211 | kkrifka@climatetrust.org

Climate-Focused Carbon Fund Invests in Clean Energy and Improved Performance for California Dairy

Climate Trust Capital marks investment in over half of \$5.5M Fund I with
announcement of second California-based digester project

PORTLAND, Ore. – U.S.-based private investment fund [Climate Trust Capital](#), an independent entity of the long-standing mission-driven nonprofit The Climate Trust, has closed on a carbon investment in the biogas sector—the Carlos Echeverria and Sons Dairy (CE&S) Dairy Biogas Project. Approximately \$1.12 million of Climate Trust Capital’s Fund I was invested in a covered lagoon digester that will destroy methane and produce carbon offsets under California’s cap and trade system. Fund I was launched in October 2016, seeded by a \$5.5 million Program-Related Investment from the David and Lucile Packard Foundation, and supported by a Conservation Innovation Grant from the USDA’s Natural Resources Conservation Service.

“Climate Trust Capital has made significant progress investing our fund this year, with fifty one percent invested and the remaining funds committed to quality carbon offset projects that conserve critical grasslands, protect forest habitat, and provide clean energy,” said Sean Penrith, executive director for The Climate Trust. “The Trust has officially made investments in our [targeted trilogy](#) of sectors, with this being the Fund’s second livestock digester investment. We anticipate that Fund I will be fully allocated early this year based on the status of projects in our pipeline. Our first cash flows are also expected in 2018.”

The investment is based on the anticipated ten-year value of carbon credits from a livestock digester project located at the Carlos Echeverria and Sons Dairy, a large farm in California’s Central Valley. Project partner, [California Bioenergy LLC](#) (CalBio), is one of California’s leading dairy digester development companies. CalBio has built three other dairy digester projects, including the State’s largest, with three additional projects currently coming on line and many more scheduled for development. This project investment is expected to begin generating carbon offsets in January 2018 with initial cash flow from the sale of these offsets in 2019.

“Generating revenue from the sale of offsets through California’s cap and trade program is a complex process requiring a great deal of regulatory oversight to ensure the credits are real, additional, and permanent,” said Andrew Craig, director of greenhouse gas reduction initiatives for California Bioenergy. “We’re thankful to have partnered with some of the leading experts in the dairy digester industry, including The Climate Trust, who has been an invaluable asset to us and our dairy farmer partners.

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Climate Trust Capital’s sophistication as a carbon investor further enables the development of the low-carbon economy. We are grateful for their support and together with the California Energy Commission and the California Department of Food and Agriculture, we can continue to bring clean energy, jobs, and environmental benefits to California for years to come.”

“The need for capital when building a livestock digester project is in strong alignment with Climate Trust Capital’s investment thesis of providing an early-stage investment to catalyze projects,” said Kristen Kleiman, director of investments for The Climate Trust. “Digesters improve the economic and environmental performance of dairies, provide clean energy, improve soil nutrient management, improve local air quality, and so much more. Quality digester projects will make up a sizeable portion of our investment portfolio, enabling The Trust to keep an eye toward ensuring the best possible premiums from the sale of generated credits.”

Farms have historically flushed their manure into uncovered lagoons, which generate the greenhouse gas methane, and release it to the atmosphere. The CE&S digester will treat the manure by covering manure lagoons with a flexible, high-density polyethylene cover. Captured methane will be stored and then combusted in a high-efficiency generator that delivers renewable electricity to Pacific Gas and Electric. In addition, the digester will be double lined and enhance ground-water protection. Effluent from the digester will be used to irrigate fields.

“California legislation AB398 provides significant advantage for in-state projects with an assured market through 2030,” said Peter Weisberg, senior portfolio manager for The Climate Trust. “This desirable political landscape, in combination with credible counterparties, and the host of beneficial revenue streams tied to operating digester projects, made the decision to invest in the CE&S livestock digester project a no-brainer. Digesters will make up a significant portion of Fund I’s portfolio, and we are pleased that our investment can play a critical role in getting quality projects off the ground.”

Climate Trust Capital’s Fund I is focused on investing in high-quality, U.S.-based carbon offset projects. Fund I will be the first in a series of Climate Trust Capital-led investment funds built to appeal to institutional and impact investors. The CE&S project will be developed in accordance to the California Air Resources Board (ARB) Compliance Offset Protocol for Livestock Projects.

“We feel fortunate to be afforded another opportunity to work with high-caliber partner, California Bioenergy, as we close in on fully deploying Fund I,” continued Kleiman. “Climate Trust Capital will continue pursuing quality carbon investments that provide our investors with long-term, risk-adjusted returns—ensuring the reputation of environmental credits as a financeable asset class and ultimately protecting our planet.”

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Building upon a legacy of innovation and leadership in the carbon market, **The Climate Trust** mobilizes conservation finance to maximize environmental returns. We value air, water and soil through the development, purchase and sale of qualified offsets and a relentless investment in people and projects with environmental purpose | www.climatetrust.org | [@climatetrust](https://twitter.com/climatetrust) | facebook.com/TheClimateTrust

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