

## B.C. can profit from carbon trading

Province must move fast to stake its claim in what promises to be a multibillion-dollar industry

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Fighting global warming can sometimes seem mostly about dishing out money and irritating lifestyle sacrifices: those ever-mounting green taxes, being guilted into buying expensive energy-efficient appliances, ditching the car for a bicycle, generally asking a generation weaned on always more to consume ever less.

But there's also actually money -- scads of it -- to be made in this new carbon world. Unfortunately, we've been slow to claim this piece of the green pie -- actually let's just call it what it is, an industry -- here in British Columbia, especially given we're leading the continent on the initiative.

Nobody raised a peep, for example, when Quebec Premier Jean Charest and federal Environment Minister John Baird jetted into town in recent weeks and both declared that Montreal shall be the carbon-trading capital of Canada, even though B.C. is pioneering the cap-and-trade system in North America.

Gee, thanks, guys.

But a Vancouver-based businessman seems to have figured out how to keep a substantial piece of this market here on the West Coast. Our homegrown carbon entrepreneur is Shawn Burns.

He's got enough degrees to wallpaper my living room. And he's set up a little-known, very young company called Carbon Credit Corp. I'd bet he's poised to make a fortune in the business of carbon trading

On one level, carbon trading may seem a dubious proposition, agrees Burns. It is about making money out of something nobody wants: CO2 emissions, or the lack of them.



CREDIT: Ward Perrin, Vancouver Sun  
 Shawn Burns is helping Canadian farmers trade carbon credits.

"It's trading hot air, or [producing] less of it, so a lot of people are obviously leery," says Burns.

"It's hard to get your head around at first."

To understand the bottom line in this anti-carbon age, you've got to look at things upside down. It works like this: Those who don't produce CO2 actually make a valuable commodity, called carbon credits that now sell from \$8 to \$25 a tonne of CO2 not produced. They can be sold, like papal indulgences, to entities that sin by creating too much CO2.

The carbon sinners must pay up, you see, to escape regulatory penalties, imposed by governments fighting greenhouse gas emissions, which are heating up the atmosphere. As more governments adopt this regulatory regime, the theory is that carbon credits will increase in value.

This is where Burns comes in. He has set up a company that helps an enterprise identify where and how it can create those valuable carbon credits. He then aggregates them together. Then he has them audited by a third party, to ensure they are valid and not, well, hot air.

Then he can help sell them off in the carbon market to anyone putting too much CO2 into the air and needs credits to escape penalties. Burns's company makes its money by getting commissions and fees all along this carbon-trading chain.

It's now much more than just a theory for the Carbon Credit Corp. Burns's first big deal will be announced today: He's part of a deal to turn thousands of Canadian farmers into carbon farmers.

Viterra, the huge agribusiness that has thousands of western farmers as its clients, has set up a carbon credit program in Alberta, where the oil industry is looking to offset the oil sands' massive CO2 production.

Essentially, wheat farmers can become carbon farmers by using better growing techniques. Not tilling soil as much and better crop rotation, for example, are ways of ensuring less of the CO2 trapped in the soil is released.

So, by labouring less, Canadian farmers can actually create carbon credits and sell them to Viterra. The agri-giant has in turn contracted Burns's Carbon Credit Corp. to help collect the farmers' carbon credits and audit them. They can then be traded on the carbon market.

So how much money is involved?

Well, nobody knows for sure. But the potential is mind-boggling. It's estimated the average western farmer, with a 1,100-acre spread, could net about \$2,000 to \$3,000 a year, every year, in CO2 credits. Since there are more than 100,000 farmers in Western Canada, this suggests an agri-carbon market of up to \$300 million.

But that's really only the start. A company like Viterra buys carbon credits from

farmers with the expectation their value will grow as North America develops a broader regulatory cap-and-trade system to control greenhouse gas emissions.

This seems assured because many states are already creating the system and the U.S. government seems ready to develop a national cap-and-trade system as soon as U.S. President George Bush takes his cowboy boots out of the White House in 2009. That means the penalties for emitting CO2 will get larger. So, in theory, Viterra's carbon credit portfolio will grow in value, perhaps many times over.

The farmers, Burns will tell you, represent only a very small slice of the CO2 trade emerging in North America. Better forestry techniques, which may increase the sequestration of CO2, could create many more carbon credits. B.C.'s forestry companies and first nations with forestry tenure are now working on tapping into that new "carbon windfall" from the resources. Shifts by some companies to cleaner technologies and energy sources will also net more carbon credits.

It's still difficult to say how big all this is going to be. But Burns guesses that within a few years the carbon-trading market will be worth \$50 billion annually in North America.

Vancouver, and British Columbia, better grab their share.

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