Environmental Finance Annual Market Rankings 2022 Winner

Uniting solutions for environmental markets

In 2022, Element Markets and Bluesource, both well-established players in the renewable natural gas and carbon industries, merged and rebranded as Anew Climate. *Environmental Finance* spoke with Anew's CEO Angela Schwarz to hear what the firm is bringing to the markets it operates in

***Environmental Finance:* What was behind the decision to merge and rebrand to Anew Climate?**

Angela Schwarz: Both companies have been successful in the environmental commodities markets for over 15 years. While Bluesource was a prominent upstream carbon project developer, Element Markets was a leading mid- and downstream marketer. It just made sense to bring the two companies together to create one of the largest integrated climate solutions providers.

EF: Could you outline some of the milestones achieved since the merger?

AS: We successfully integrated the two businesses and re-branded as Anew Climate in mid-June, just four months after closing the merger. Since coming together, the combined company has continued to successfully and profitably grow all lines of business.

Within our nature-based solutions segment, we completed a $1.8 billion acquisition of timberland properties which we plan to sustainably manage to create high-quality carbon credits. That acquisition brings our total forest and agri-carbon properties under management for carbon development to more than 5.6 million acres. In total, we now have over 175 million tonnes of carbon offsets under contract.

We also recently built out a new electric vehicle segment and have won 'RNG to power' contracts that will allow us to be a key player in the market for renewable identification numbers produced from renewable electricity (e-RINs), as outlined in the United States Environmental Protection Agency (EPA)'s recently announced renewable volume obligation (RVO) set rule.

Recent renewable natural gas (RNG) marketing contract wins have resulted in our RNG marketing book growing to over 65,000 dekatherms/day. Other notable achievements include registering one of the lowest carbon intensity projects with the California Air Resources Board (CARB), initiating one of the first renewable liquefied natural gas (R-LNG) maritime shipments and expanding into European markets with offices now in Budapest and Spain.

It's been a tremendous year for Anew and we look forward to continuing to grow our business by driving significant positive climate impact.

Angela Schwarz

EF: What trends have you seen in voluntary and compliance markets this year?

AS: In voluntary carbon markets (VCMs) at the macro level, we see moderate headwinds caused by the upheaval of the global energy markets, continued inflation and interest rate hikes and a possible recessionary market.

At the micro level, new entrants into the voluntary market have caused some market disruption and confusion. Several for-profit rating agencies, who perform desktop reviews of third-party carbon projects using publicly available information, are 'rating' projects based on proprietary and opaque evaluation processes. A high-level, desktop review of publicly available information does not necessarily generate an accurate or complete integrity assessment, but it certainly can create confusion for the voluntary buyer. In addition, each rating agency has their own unique bias, so the same project will have very different ratings across agencies.

Given this confusion, many larger and more sophisticated voluntary carbon buyers are ignoring the rating agencies and are instead rolling up their sleeves and working more closely with project developers to better understand the integrity of individual carbon projects. As a result, buyers are more comfortable taking informed long-term large credit offtake positions with trusted companies such as Anew.

In the compliance fuels markets, the EPA under the Renewable Fuel Standard (RFS) released the first multi-year RVO which introduced the inclusion of e-RINs in the cellulosic category. We think the EPA was very thoughtful in their proposed rule. While we believe the growth in the cellulosic industry is stronger than anticipated, we are confident that the EPA will take public comments into consideration when it finalises the rule in June of 2023.

EF: What will Anew be keeping an eye on in 2023?

AS: We will be focused on several areas of growth including the zero-emissions vehicle market, expansion of RNG into the maritime and export markets through R-LNG and renewable bunker fuels, and the promotion and development of a federal low carbon fuel standard.

On the carbon side, we will focus on expanding to new high-quality projects that support and restore biodiversity. We will also continue to expand our agri-carbon project development with soil sequestration and regenerative farming programmes.

Finally, President Biden's Inflation Reduction Act has created tremendous interest in technology-based emissions reductions and carbon development projects, and Anew is exploring the potential in those ventures, including carbon capture and storage (CCS). We are also exploring other new growth areas through our *Anew Ideas* group, which is our in-house think tank incubator focused on emerging decarbonisation technologies and opportunities.

EF: To what do you credit Anew's success in this year's Annual Market Rankings?

AS: Our team. I am proud of their integrity and knowledge, their command of each of their segments and their relationships within their markets – all of which have driven our success. It's an exciting time for Anew Climate as we take our position in driving solutions for climate change forward. ■

For more information, see: anewclimate.com