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Contributed by Carbon Currency Foundation

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FCStone Carbon LLC, a subsidiary of major commodity trader FCStone, and the U.S. Department of Energy's Argonne National Laboratory announced that they are working together to quantify biofuel carbon credits reductions and trading in the marketplace.

Argonne acts as a certified third party agency, quantifying how many carbon credits a facility can offer by using its total energy cycle software model, GREET (Greenhouse gases, Regulated Emissions and Energy use in Transportation). First released in 1996 and sponsored by the U.S. Department of Energy's Office of Energy and Renewable Energy (EERE), the GREET model currently serves more than 3500 users.

"Argonne is probably the most credible entity in the industry for establishing methodologies and protocols on carbon credits for green house gas emissions," said Dick Lindgren, president of FCStone Carbon. "As Argonne implements this technology into the biofuels industry, credibility will rise and the green-energy market will expand." FCStone Carbon, LLC has assumed funding of this project for the next three years.

"This is a great opportunity for Argonne to bring its research of examining carbon reductions of various technologies into the carbon trading market by working with FCStone Carbon LLC. It is exciting to see research results driving business practices that will help reduce pollution," said Dr. Michael Wang, project manager at Argonne.

Last year more than \$28 billion was traded worldwide in carbon credits. "As protocols and methodologies are established in the biofuel industry, biofuel plants and facilities will have the opportunity to contribute many new carbon credits to this burgeoning market," said Lindgren.

The United States does not currently adhere to the Kyoto Protocols that set quotas for the European Climate Exchange. But an increasing number of cities, states and regions in the U.S. have initiated carbon credit registrations and exchanges on a voluntary basis. "Our opinion is that a national cap and trade system will be initiated. We expect that by 2010 we should see a lot more direction from a legislative or regulatory standpoint," said Lindgren.

Advances such as the GREET model are helping to standardize the carbon credit trade in the United States. The GREET model was initially developed by the EERE to assist in reducing the nation's dependence on oil, lower greenhouse gas emissions and urban air pollutants, and boost energy efficiency.

Source: www.azom.com