

Essencis invoices US\$ 7 million in carbon credits¹

Specialized on industrial waste disposal, São Paulo-based Essencis is enlarging its scope entering in to the carbon market with methane generated in its landfill located in Caieiras (SP). This company, a joint venture of Camargo Corrêa and Suez Group, announced this month its first carbon credit sale of US\$ 7 million to the Japanese company Electric Power Development, after receiving bids from 12 different companies interested in the credits.

From September on, Essencis will invest US\$ 3 million to generate the amount of 2.8 million tCO₂e, established in the Agreement. Actually, the company will capture methane gas that is also a greenhouse gas. Each ton of methane collected is equivalent to 20 tones of carbon dioxide.

From 2006 to 2012, Electric Power Development will be the exclusive buyer of Essencis credits, unless the company succeeds in deliver the credits before 2012. The Brazilian company won't be able to use captured methane gas as fuel.

Carlos Roberto Fernandes, Essencis president-director, believes this market has great possibilities in the future "we will consider new project opportunities", he said.

According to him, its other landfills couldn't be used for such projects, because, different from Caieiras, they receive only industrial waste (that generates a small amount of methane). Since Caieiras' acquisition, in 2002 until now, Essencis has invested R\$ 70 million in the landfill, that today has 3.5 million m² and capacity to receive 70 thousand tons of domestic and industrial solid waste. Today it operates with 30% of its total capacity.

Among the countries without compliance to reduce emission, Brazil has approximately 10 to 15% of carbon credit market. The estimative is that this market represents US\$ 45 to 60 million around the world, according to Victor Hugo Kamphorst, ABN Amro's manager for sustainable business, bank that has guaranteed the anticipated payment for Essencis.

Besides this market, the company is also increasing its performance in soil decontamination "For many years, the company hadn't have this concern. The waste remained somewhere in the factory", he says. Today, this sector represents 20% of total revenue, but this year it will increase twice. Last year the company earned R\$ 120 million.

Essencis' main customers act in petrochemical, automotive, chemical, metallurgy and mining. "The multinational companies or the ones that aims to be global are more concern with environmental issues", said Fernandes.

Essencis keeps investing in waste disposal sector. Last year, the company bought a landfill in Betim (MG) with R\$ 12 million. Its also owns landfills in Paraná and Santa Catarina. In Rio de Janeiro, it has a co-processing plant that treats and disposes waste to be used as fuel in cement kilns.

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