

Ancient charcoal key to net-zero target set by blue-chip firms

SHERYL TIAN TONG LEE, PETER MILLARD & HEESU LEE

19 June

A type of charcoal first used by Amazonian tribes thousands of years ago is becoming a key component of net-zero goals set by Microsoft, JPMorgan Chase & Co and other blue chip companies eager to offset their carbon emissions.

Known as biochar, this black substance created by heating biomass and other agricultural waste can store carbon for hundreds of years and improve soil quality at the same time. It's a "true carbon removal solution at scale," according to Microsoft, and the tech giant along with BlackRock and JPMorgan are among those that have bought biochar credits.

The market for biochar remains small for now, though it seems poised to soar as more farmers use it as a soil additive and firms seek new ways to meet net-zero targets. Biochar has the potential to sequester up to 2 billion tons of carbon dioxide annually by 2050, or almost as much as India emits in a year.

Biochar's popularity stems from a shift in the voluntary carbon markets toward projects that actually remove carbon, instead of the so-called avoidance offsets that keep existing trees standing, for example.

Biochar is produced by heating wood and other biomass in a low-oxygen chamber that limits emissions, in a process known as pyrolysis. The bio-oils and gas produced can be used for power generation. Biochar can be buried in the ground as a soil amendment, or integrated into building materials.

Biochar credits sell for about €111 (\$120) each, according to a tracker by Puro.earth, a Helsinki-based carbon registry. That's a hundred times more than nature-based offsets, but still only a fraction of the current price of other kinds of removal offsets such as electrochemical ocean carbon capture.

JPMorgan, which has been buying biochar credits since 2021, deems it an attractive option because of its "longer-term durability, relative affordability and co-benefits," Brian DiMarino, head of operational sustainability, said. **BLOOMBERG**

Biochar has the potential to sequester up to 2 billion tonnes of carbon dioxide annually by 2050, or almost as much as India emits in a year