SM172 | 4.20.2024
Carbon Frontiers 2024 | Episode 6
Tim McDonnell, Climate & Energy Editor, Semafor

On this week's installment of Carbon Frontiers 2024, we welcome Tim McDonnell, Climate & Energy Editor at Semafor, into the SmarterMarkets™ studio. David Greely sits down with Tim to discuss some of the big stories he's following in 2024 – and how media can better influence and cover how companies and governments are moving forward toward net-zero.

Tim McDonnell (00s):
I think there is a role, an important role, that carbon markets can play in driving finance to well-deserving and impactful carbon reduction projects that are very badly needed, especially in developing countries. So we need to do that in a credible kind of way.

Announcer (18s):
Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?
This episode is brought to you in part by Base Carbon. It's time to get serious on carbon. Learn more at basecarbon.com.

David Greely (00m 59s):
Welcome back to Carbon Frontiers 2024 on Smarter Markets. I am Dave Greely, Chief Economist at Abaxx Technologies. Our guest today is Tim McDonnell, Climate and Energy Editor at Semafor. We will be discussing some of the big stories Tim is following in 2024 and how media can better influence and cover how companies and governments are moving forward toward net zero. Hello, Tim. Welcome to SmarterMarkets.

Tim McDonnell (01m 26s):
Hi, how's it going? My pleasure, thank you.

David Greely (01m 28s):
Oh, it's going great and better for having you here.

Tim McDonnell (01m 30s):
Thanks, dude.

David Greely (01m 31s):
You know, on this series our, our Carbon Frontiers 2024 podcast series, we are discussing how, despite the tumultuous events of 2023, which I would also like to talk with you about, companies, governments, market participants, are continuing to make progress towards a net zero future, which has made me really look forward to being able to have this time with you because you chronicle these efforts and the setbacks in your net zero column for semaphore and I would like to start there, you know, what do you see as some of the big stories that we need to follow if we want to understand where we are or aren't making progress towards net zero?

Tim McDonnell (02m 09s):
Sure, David. Well, thank you so much. It's a pleasure to be here and I am happy to talk about all of that. To answer your question, there is a long list. We are at a really interesting and kind of pivotal moment of the energy transition. I think we are at a phase when some of the important technologies that we are keeping an eye on, you know everything from solar panels and EVs to hydrogen electrolyzers and, you know, all this other really cool stuff that people are working on carbon removal technology and, and other things are just kind of starting to scale up, you know and then things like solar just, you know, totally exploding to, to unknown heights, you know but then of course there are some challenges in the kind of macro economy and, you know, trade issues and there is all kinds of stuff we can talk about.

Tim McDonnell (02m 54s):
I mean, I think some of the really interesting things that I am trying to keep tabs on in the net zero newsletter. For Semafor are kind of clean energy trade issues, I think is one of the really huge stories this year, sort of, you know, what's coming out of China and how we see these sort of protectionist trade barriers going up in different countries to kind of manage the onslaught of low cost solar panels and EV batteries coming out of China and, you know, looking at what that's going to sort of have ripple effects around the economy. There is a lot we could talk about with climate tech startups that are, you know, getting a lot of funding and, and kind of reaching kind of a critical turning point in their path to scaling. Another thing I write about a lot is what the big oil companies are doing and their sort of strategies for survival in this moment and things they are, trying to experiment with.

Tim McDonnell (03m 44s):
And then of course the, the carbon market as well, you know, so a huge story that we write about a lot and this, you know, a lot of questions about whether participants in that in the voluntary carbon market can kind of move past some of the green washing and you know, junk that's been out there in the market for the last few years and try to scale up the better parts of that. So, you know, there we can unpack all that stuff and you know, I think just the big takeaway is that we are just really in this pivotal moment. I think there is a lot of momentum behind and a sort of sense of inevitability about a lot of these technologies. It doesn't feel as tenuous as it did when I started writing about climate change and the energy transition like 12 or 13 years ago and, you know, then it was felt much more kind of far off and it's much more concrete now, you know, of course is good because looming behind all of this is this sort of ticking clock of climate change that we are, you know, running quickly very quickly out of time to get on track for net zero. So I think all these things are kind of just adding up to sort of really interesting moment right now.

David Greely (04m 51s):
A lot of great stuff to talk with you about and want to dig into the carbon market story, but first you have hooked me with a few of these other stories that you brought up and maybe we can talk a little bit. I was curious about the connections between a lot of the technology that's increasingly becoming available. You mentioned solar, the EVs and how that ties to what governments are doing. So, you know, suppose there is a lot of money being put in to some of this new technology, but it's also very industrial policy reminiscent from the 1980s. Like the IRA is unapologetically an American first program in terms of where the money goes, what do you need to meet to be able to qualify to get the money China similar, these are not only climate programs, they are programs to promote jobs, promote competitiveness of domestic industries in these countries and I am curious like how you see that evolving, so on the one hand it's, you know, good globally and that it's helping to make a lot of these investments happen on the other hand, you know, it's a little bit it's a much less globalized world than we had become accustomed to?

Tim McDonnell (06m 03s):
Yeah, it's there is a really interesting tension in all of this between, you know, what, what is the policy decision that you might take to achieve the fastest decarbonization, the fastest kind of getting to net zero and alternatively what is the policy decision you would take if your goal is to promote domestic manufacturing investment or job creation in America, for example, or in or in the EU and those two things are not always the same and sometimes they're often in conflict you know, the really interesting thing that you see happening from China now is that for pretty much all of these technologies, EV batteries, solar, wind, turbine components, you know, hydrogen electrolyzers, these types of things, the manufacturing capacity that's in place today in China is far, far higher than global demand for most for these products. So we are in a situation where we have basically a supply glut of most of the essential clean energy technologies.

Tim McDonnell (07m 02s):
The price for these things is falling very quickly and what that does is it kind of creates this interesting set of winners and losers obviously, you know, if we have a flood of really cheap climate tech coming out of China, that's going to be helpful for, you know, people or businesses who are buying these things and you know, it's great for solar installation companies if the cost of panels is really low and people feel comfortable buying them and you know, hopefully we are going to going to see some more low cost electric vehicles you know, there is a lot already, but even now, the US automakers are having to catch up with their own kind of low cost options and there is a sort of price war for EV so that's kind of helpful for consumers as well but to get back to this idea of industrial policy and domestic job creation this sort of like a flood of cheap stuff coming out of China is not helpful for that end because it kind of undercuts a lot of the investment case for standing up a solar panel manufacturing facility in the US for example.

Tim McDonnell (08m 04s):
And you've seen recently a number of cases where companies that were trying to do that have put their plans on pause or you know, canceling projects, pushing things off, kind of waiting for that supply glut to, to kind of even out and I think that leaves, to answer your question about kind of where governments fit in and policy implications of this, I think it leaves, you know, it kind of puts governments in this position again of having to really make some, some hard choices about what is the aim of our policy here. And it may be fine, you know, when the inflation reduction act came out in the US you know, a lot of people observed this is, this is a climate bill just with a different kind of name on it and it at some level, you know, maybe it didn't matter very much whether we call it climate policy or, or something else.

Tim McDonnell (08:52):
Or if, you know, if Biden wants to go up and say that the main goal here is to is job creation and whatever, but it's kind of sneaking the climate stuff in the back door, that's fine but I think the, the situation that we're in now challenges that a little bit because whether your interest is in job creation or decarbonization, does it really make sense to build new solar manufacturing in the US right now and the answer is probably no. At this moment it's not really going to achieve either one of those ends probably. So I think we have to kind of have some tough conversations about what are the pieces of this puzzle that make the most sense to do in different places you know, can we be a little bit more strategic and governments be a bit more strategic about which part of the value chain they are trying to capture and which parts does it sort of not make sense to be protectionist from any kind of point of view that you might choose to look at it. So that's kind of where we are with some of these things right now.

David Greely (09m 50s):
And when you look at where the IRA money is flowing in the US are you seeing certain places where that's making a real difference in terms of investment in technologies?

Tim McDonnell (10m 02s):
Yeah, I mean the IRAs, it's had a huge effect obviously. I mean, you can just look at this like there is a something called the Clean Investment Monitor. It's a service that kind of tracks all the announcements related to clean energy manufacturing and kind of production investment in the US and you just see every quarter it's just setting a new record for investment announcements every quarter and I think the friction point that's gonna come up soon and you know, again, you kind of see this when you hear about solar manufacturers pausing plans or kind of pushing things off when, you know, when you hear about the automakers having to re-strategize or slow down their EV transition strategies or maybe hit pause. We just saw Rivian hit pause on a big huge new factory was gonna open in the state of Georgia, which now it, it's pushing off indefinitely.

Tim McDonnell (10m 52s):
So the question is, of all of these very big kind of headline, you know, hundreds of millions of dollars in, you know, of investment announcements in clean energy in the us, how much of that is going to actually reach final investment decision and actually get built because things that kind of sounded good from the beginning, there's this sort of rush into the space, right. So everyone is kind of trying to take advantage of these amazing IRA benefits and there is a huge, you know, market for these technologies. But, but you know, for certain things like solar especially the market is just totally saturated. and so it, it may not actually make sense. I don't think you are going to see all of the investment announcements that have kind of come out around the inflation reduction act translate in the long term to steel in the ground to a final investment decision to something kind of actually happening.

Tim McDonnell (11m 46s):
Because the economics are going to turn against some of those some of those projects and then as we were just saying, it's like how much of a problem is that obviously if you are an investor in one of those, you know, projects that could be bad, but that doesn't necessarily mean that the pace of decarbonization is, is slowing because we just, we are actually supplying like the market so well already it, but it might mean that some of that manufacturing is, you know, happening outside the US that's sort of, you know, where the policy makers have to come in and decide.

David Greely (12m 14s):
Now, I wanted to ask you, you also brought up some of the bigger stories you are following is venture capital funding and what that's doing at more of the startup level and I would like you to if you could walk me through that a little bit and is that competing with the government funding, is it kind of coming alongside the government funding or are they just targeting very different types of companies and projects?

Tim McDonnell (12m 38s):
I think they are complimentary and I think they fill different kind of pieces of the puzzle and you did see a contraction in 2023 in the amount of venture capital funding that was going into climate tech startups. There was a contraction of VC across all sectors and I think actually what the analysis I read was that the slowdown in climate tech was a little bit less than the overall slowdown, so maybe that means climate tech is sort of somewhat recession proof or, you know, whatever kind of term you want to use. I think you know, investors are sort of waiting for the cost of capital is very high right now. We all know this a sort of like problem of interest rates that's been affecting all of the kind of climate tech space and I think climate tech VC is waiting. I think some of the partners there are kind of waiting a little bit to see what the fruit from investments of the last, you know, couple of years is going to be because there is this very wide spectrum of all kinds of amazing things that people are working on spanning the whole range from like different kinds of software and kind of emissions monitoring stuff that people are doing, you know, a lot of which is, you know, using machine learning or it being AI driven in some way, you know, all the way up to like the very hardware kind of focus things like doing advanced carbon capture and making, you know, synthetic fuels and all this kind of really interesting other stuff that people are doing.

Tim McDonnell (14m 01s):
So we have to kind of see what shakes out from the, the last, you know, round sort of year or two round of investment of, you know, which of those things can kind of scale quickly and I think there still are many startups who are confronting this sort of valley of death concept that people have probably heard of where this sort of problem of how do you transition from a sort of kind of lab scale pilot scale type company to something you operating at a commercial scale, which is usually outside the realm of venture capital you know, especially when you're dealing with like having, if you have to build a factory to do, you know, manufacture some advanced EV batteries or do some kind of advanced recycling thing, it's usually going to be a bank or private equity that does the, the financing for that.

Tim McDonnell (14m 48s):
And often these are like brand new technologies maybe have never been done before. Traditional financial institutions are gonna be super wary and, and kind of hesitant to jump in there, but they're a little bit bigger than the size of check that VC would typically write. So that's, you know, to answer your question about where governments fit in, I mean that's, that's area where the energy department, the loan programs office for example, or, or you know, other parts of the government are stepping in to, to kind of make some of those scale up type projects more investible and to do what they can to bridge the gap between VC and larger scale project financing. So I think we'll just, we'll just have to kind of see what will happen there. I think that 2024, you know, hopefully will be a, a better year for, and you know, I spend a lot of time just as a journalist chitchatting with, you know, different VCs and you know, I talk with startup founders every week.

Tim McDonnell (15m 41s):
I mean, because I'm just always very interested to kind of hear the, the wacky weird stuff that people are working on. And I'm just always like impressed by the level of tenacity and optimism that I always hear in those conversations and I think people's conviction in just in the inevitability of this transition is really unshakeable and I do think that, you know, you can sort of identify bumps in the road like, oh, it's like, you know, it's hard to get a good, you know, rate on a loan or nobody's funding this particular type of, you know, scaling up or there is plenty of money for like seed level funding for climate startups, but the more you kind of go up the chain to scale, there's maybe less available, but, but the kind of outcome of this process where there is a wide adoption of these technologies and we, you know, live through the transition is that's happening.

Tim McDonnell (16m 33s):
So I think, you know, people are very willing and excited to kind of throw different ideas at the wall and see what will work, which makes it an exciting time to be in the space, I think. But of course, you know, it's gonna come with like, there's going to be some, there is going to be some pain along in that not all these startups are going to make it obviously and anyone who lived through climate tech 1.0 a decade or so ago, you know, kind of remembers that pain acutely, I'm sure. But I think the world is just in a different, very different kind of place right now and I think, you know, a lot of investors have large lessons from that experience and hopefully get a lot of success as well this time too.

David Greely (17m 08s):
And you came into this from the climate tech side, right? Was that your background?

Tim McDonnell (17m 13s):
No, I was always no, I have just been kind of covering climate as a journalist forever, kind of sitting out outside the process. I don't know how much you want to know about my, my whole backstory, but I was a journalist at Mother Jones for a number of years covering the, the energy transition and, and climate tech and you know, oil and gas industry and then I was moving around to different publications and freelancing for a few years around a few different countries in Sub-Saharan Africa where I was working, did a lot of reporting on food systems and agriculture and climate change there and then, you know, was living most recently in, in Cairo and now in in Ukraine and Kyiv. So I have just been kind of observing this from different locations around the world, but I, but always as a journalist.

David Greely (17m 55s):
That's great there and you mentioned some of the lessons from Climate Tech 1.0 for those of the people that weren't following it as closely as you were. Is there like a top, you know, one or two lessons that you took away from covering that period?

Tim McDonnell (18m 09s):
One lesson is, is just to, I think just to be kind of strategic, more strategic about what are the areas where you can kind of compete at scale and really make kind of large scale difference without necessarily having to go directly head to head against Chinese companies, for example, which was a problem for some of them in the kind of climate tech 1.0 era. You know, again to go back to solar manufacturing again, I think is a big lesson from that but yeah, I think just, you know, these companies just you know, need to be careful about scaling quickly, but not too quickly. I mean, that doesn't sound very insightful, but I think unfortunately that's just the reality for a lot of them figuring out the right way to do that.

David Greely (18m 51s):
Terrific and I wanted to shift gears with you. You know, you mentioned also what's been happening in carbon markets has been a big story and one of the big stories last year was certain media outlets, the Guardian in particular publishing stories, really calling into question the value of certain carbon offsets and claiming that many projects were vastly overstating their impact on carbon emissions and I was curious, how do you see companies responding to either these media articles in particular or, you know, the after effects of these types of articles. Is it changing the way they're approaching moving to net zero, or are they changing the nature of the claims that they're making regarding offsets what's happening there?

Tim McDonnell (19m 33s):
I think we are kind of going through this phase where there has to be some like really serious soul searching in the carbon market both by, you know, by both by the sort of project developers like the people or companies that are involved in actually creating carbon credits and then these sort of registries or brokers that exist in the kind of middleman space and then also large corporations from airlines to oil companies to everybody else who are actually buying these things and because there has been this kind of evolution over time of having to filter out a, a lot of junk from this market where there were just, you know, projects that were way overstating the, you know, number of credits that they should be producing, companies coming in and making, you know, buying, buying credits and then making absurd claims about, this means that now we can market like carbon neutral fossil fuels because we bought credits to offset the emissions for like, stuff that just like, it just sounds made up sometimes.

Tim McDonnell (20m 32s):
And there it had sort of reached this like a breaking point I think, and, and last year, as you said, like there was just one story after another of these big projects, especially kind of forestry based projects where there was a lot of ambiguity behind the scenes about was this forest ever even really threatened. Are we saving it from being cut down by selling these credits or is that just like a fiction that somebody made up to, to market things. So, you know, I think that, you know, but also, you know, if you look at the data, you know, carbon credit purchases by companies, you know, I think they dipped a tiny little bit in 2023, but you know, it's not like people are rushing away from this market. It's still going strong and I think the forecast, I haven't seen any forecast that shows that the carbon market going away.

Tim McDonnell (21m 22s):
I mean, if only thing, if anything it's, it's just getting bigger and bigger every year. So I don't know that companies are kind of trumpeting their carbon credit purchases maybe as much as they had been in the past. There's this sort of like a little bit of this green hushing kind of concept happening where they may be trying to do it a little bit quieter, not make it as high profile of a thing you know, some of the airlines like Delta and others have really publicly turned away from buying carbon credits because they got so much bad

press at different phases but, you know, the reality is that for some of these like high carbon sectors they probably are going to have to, you know, there is not carbon credits kind of have to be part of their near term climate strategy at some level.

Tim McDonnell (22m 10s):
Because there is just not a lot of like economic, unless we start putting like a, a price on a carbon tax federal carbon tax in the US or something like that, you know, it's just not as economic for some of the biggest emitters yet to make immediate cuts sufficiently deep to their carbon footprint. So in that case they kind of have to turn to the carbon market what else can they do and right now there are a number of these kind of voluntary kind of oversight groups that are sort of starting to try to kind of police the voluntary carbon market a bit better. I mean they are sort of as I said voluntary and they are kind of toothless and you know, it's not like direct government regulation, but they, they try to get together and brainstorm ways that they can do this a bit better.

Tim McDonnell (22m 56s):
And they are in a process right now actually of reviewing a lot of the carbon credits that are, that are out there on the market and trying to assess, you know, which ones maybe need to be which kind of general types of projects need to be kind of probably walked back or, or taken out of the market. So this is, I don't know how successful that effort is gonna be. I mean, this is just to say there, I think right now everyone is in agreement that this market needs to be overhauled. They are going to try to do it on a voluntary kind of self-policing basis first and I think we can take a healthy degrees of skepticism about how well that's going to work and if we had the same kind of conversation again next year and there is still a bunch of greenwashing going around then it may be clear that there is going to be room for more direct government regulation of this market, you know, or it needs to mature in some way because it can't go on the way that it has and be credible.

David Greely (23m 55s):
And I wanted to ask you about that because many of the people involved in carbon projects and carbon finance would argue that articles like the ones in the Guardian in particular were unfair and undermined a lot of the good being done out there by you know, painting with too broad a brush that there is bad quality stuff out there, there is also stuff that's good quality and yes the most important thing is that the claim matches what's being done by the project and doesn't overstate it and I wanted to ask you, you know, as a journalist who covers climate and energy, how do you approach a topic that can be very polarizing for many people?

Tim McDonnell (24m 35s):
You mean carbon markets or climate change generally?

David Greely (24m 39s):
More the carbon markets, but I would appreciate your opinion on both they are really tied together great.

Tim McDonnell (24m 44s):
Yeah, no, I mean that carbon market, it is challenging to report on some types because it is true. I think that there are some bad cases that really get a ton of press and kind of paint, make the whole market kind of look bad. Although I think it's probably fair to say that there is a lot of, you know, I don't know how many kind of really egregious examples of over crediting and that sort of thing. There are, you know, I don't have like a statistic for that offhand, but my sense is that this market is still maturing and that there are still a lot of projects out there that are over credited to some degree and you know, or that are not really additional that, you know, that are coming from, you know, projects that are taking carbon credits out of, you know, for example, building a wind or solar farm someplace.

Tim McDonnell (25m 35s):
And it's like, that doesn't really make sense because that solar wind farm was probably going to be built anyway just because the economics of wind and solar are good. If we are saying that using that as a carbon offset, it kind of implies this level of additional investment going into that, that that probably isn't really justified and then you have on the other side of that transaction, company X buying that credit and then continuing to pollute as if they had kind of made a, a contribution that they, that they probably didn't make. So anyway, I think that it, it can be kind of tricky to like, but of course, like as a journalist you can't go through and well, I mean, you know, maybe I should, maybe this is my job, I don't know but you can't, it's kind of hard to go through like thousands and thousands of projects and try to make a determination about which one is good.

Tim McDonnell (26m 19s):
You know, it's a very piecemeal kind of work because the, the data is not all gathered in, in one place to know exactly which projects had credit bought from them by exactly which companies on the other side and, and to kind of go through all of those and so, you know, some of the cases we have seen have been like, where there's something really egregious that that rises to the surface but I think, a lot of this is like really incumbent on the companies that are buying credits to, to do their homework better and one effect of all of this negative press, I think is to make chief sustainability officers who are responsible for kind of overseeing the purchase of these credits take a much more close look at what exactly it is that they're buying and being very attuned to, you know, reputational risk that could come from, from buying bad credits.

Tim McDonnell (27m 09s):
And, and you know, so I think if there is not more of an effort for the industry to kind of clean up voluntarily, then there will be more of a, a kind of pushback from, from the buying companies. Because as I said before, I think there is a role, an important role that carbon markets can play in driving finance to well deserving and impactful carbon reduction projects that are very badly needed, especially in developing countries. So we need to do that in a credible kind of way and I think one really interesting part of this story that we can talk about more is on carbon removal credits, which are in their own sort of category you know, these are kind of projects that come, you know, removing existing carbon from the atmosphere rather than sort of offsetting carbon that might otherwise have gone into the atmosphere.

Tim McDonnell (28m 00s):
So it was just kind of thinking about like that, that could be like reforestation, like planting trees. It could be stuff like, there's projects that like do this kind of crushed rock weathering that absorbs CO2, there's the big giant carbon sucking fans, direct air capture kind of stuff. There is different ways to do carbon removal that come at kind of different price scales, but that part of the carbon market is still very, very small because a lot of them are kind of expensive. That to me is the most interesting part of this market because if we could really scale up carbon removal credits, that would really make a huge difference, I think, in, you know, in the kind of overall decarbonization story but there is only a handful of companies like Microsoft and some others that are really willing to play in that space right now just because of how expensive those credits are. So we need to kind of figure out a way, again, maybe a role for government to play there and, and trying to mitigate some of that cost.

David Greely (28m 52s):
Yeah, I think that's really the challenge because the high tech solutions on removals, while very promising, as you said, are very expensive and they haven't achieved the ability to scale, but we also don't have a whole lot of time to be, to getting these things to work. So being able to reduce emissions becomes critically important and certainly the nature-based projects that have often been criticized, they can scale very quickly and, you know, they are available now at a reasonable price and I think that's what makes a lot of the conversations difficult because, you know, there is the inevitability, you want the investment, like solar and wind is a great example. You know, in the past it was very expensive. There was a lot of investment prices came down and I think, you know, solar and wind were some of the first projects that qualified for carbon offset type financing

David Greely (29m 41s):
And now it's so inexpensive and affordable that people don't receive carbon offsets for those anymore you can't qualify for them because it's not considered additional and so I guess when I look at it, on the one hand there is different projects and people have different preferences. On the other hand we are kind of in a situation where if we are really going to make progress I am more in the camp of we got to be trying everything and we kind of need everybody to be working and I am curious because like that includes media and those involved in carbon projects and carbon finance and carbon markets. So I was curious from your perspective as a journalist what can we all be doing to help understand each other better and work together better while of course retaining the necessary scrutiny that the media needs to provide on what's being done. Like how do we keep the right level of scrutiny without being adversarial ,like how do, how does the industry make itself more transparent if that's what's necessary, How do we each educate each other?

Tim McDonnell (30m 43s):
Yeah. Well, I think, think transparency from carbon market participants is essential. And you know, I would hope that as we kind of go through this evolution that everyone comes to it with a sense of skeptical curiosity and, you know, is willing to give these like, you know, give the registries, give project developers, give each other kind of the benefit of the doubt when, when it seems like they are making a good faith effort to, to fix the problems of the past and, you know, I don't think it's helpful to just say like, as you hear

sometimes hear from some climate activists that, you know, we should just, we just need to like a abolish the entire carbon market and it serves no purpose and, you know, shut the whole thing down. I don't think that that's very constructive there.

Tim McDonnell (31m 28s):
I think there probably is a role that a well-functioning and high integrity carbon market can play and you know, this space, I think in the past, you know, in this sort of Kyoto protocol days was very much just like a kind of a wild west because there was, like, no one was really looking at what was happening. If you were a savvy city of London, you know, finance guy who like saw the opportunity, you could like jet down to Zambia and like set up some weird carbon project and have made a return on it before your plane got back to Heathrow probably and I mean, with no kind of scrutiny of what was happening and those days are over, you know, anyone who is kind of coming into this to try to make that kind of very quick turnaround kind of profit is I think it's just setting themselves up for, for being called out sooner or later.

Tim McDonnell (32m 19s):
So, you know, I have met a lot of people who work in this space who come from a place of good faith and are genuinely trying really hard to make the market work, you know, to function more effectively. So we just need to keep kind of seeing that and then I think on the, on the side of companies, I think that consumers themselves are becoming a bit more aware, you know, readers of the media are becoming more aware of what the carbon market is and what some of the limitations are and so I think, you know, when consumers kind of encounter a company saying that they bought carbon offsets or that they are doing something that's kind of offset carbon credits, they come into it with a kind of skepticism and maybe asking questions that they weren't before which I think is for the best because if you know anybody who is going to make any type of net zero claim that involves credits, should be prepared to answer questions about what is it exactly that you bought and where does it fit into your company's net zero strategy.

Tim McDonnell (33m 16s):
You know, how much are you kind of relying on these credits versus other actions that companies can and, and should be taking to, to decarbonize. So, you know, people are, are asking more questions and I think that's, that's gonna help definitely in the end. So I think I try to come to it and, you know, just learn as much as I can as time goes on and then give some of these efforts a chance to see if they can make a difference. But, but to continue calling out bad actors when I see them. So I think that's the most we can kind of do for now.

David Greely (33m 47s):
Thanks again to Tim McDonnell, Climate and Energy Editor at Semafor. We hope you enjoyed the episode. We will be back next week with another episode of Carbon Frontiers 2024. We hope you will join us.

Announcer (34m 01s):
This episode is presented by Base Carbon, a financier of projects involved primarily in the global voluntary carbon markets. Base Carbon endeavors to be the preferred carbon project partner in providing capital and management resources to carbon removal and abatement projects globally, and where appropriate, will utilize technologies within the evolving environmental industries to enhance efficiencies, commercial credibility, and trading transparency. For more information, visit basecarbon.com. Base Carbon: sensible carbon investing.

That concludes this week's episode of SmarterMarkets by Abaxx. For episode transcripts and additional episode information, including research, editorial and video content, please visit smartermarkets.media. Please help more people discover the podcast by leaving a review on Apple Podcast, Spotify, YouTube, or your favorite podcast platform. SmarterMarkets is presented for informational and entertainment purposes only. The information presented on SmarterMarkets should not be construed as investment advice. Always consult a licensed investment professional before making investment decisions. The views and opinions expressed on SmarterMarkets are those of the participants and do not necessarily reflect those of the show's hosts or producer. SmarterMarkets, its hosts, guests, employees, and producer, Abaxx Technologies, shall not be held liable for losses resulting from investment decisions based on informational viewpoints presented on SmarterMarkets. Thank you for listening and please join us again next week.